



TO: Mayor and Councilmembers

SUBMITTED BY: Luke Rioux, Finance Director

PREPARED BY: Cecilia Rubio, Management Assistant

SUBJECT: Finance Department Professional Services Agreements and Amendments with HdL Coren & Cone, Hinderliter, de Llamas and Associates, and Rogers, Anderson, Malody & Scott, LLP

RECOMMENDATION:

- A. Authorize the City Manager to execute Amendment No. 5 to Professional Services Agreement No. 2019-057 with HdL Coren & Cone for property tax management, information, and audit services, increasing the contract authority by \$15,400 for a total not-to-exceed amount of \$110,360, with a term expiring June 30, 2027; and
- B. Authorize the City Manager to execute Amendment No. 5 to Professional Services Agreement No. 2018-125 with Hinderliter, de Llamas and Associates for ongoing professional consulting, monitoring, and compliance services related to cannabis businesses, increasing the contract authority by \$78,000 for a total not-to-exceed amount of \$620,000, with a term expiring June 30, 2027; and
- C. Authorize the City Manager to execute Amendment No. 1 to Professional Services Agreement No. 2023-065 with Rogers, Anderson, Malody & Scott, LLP for ongoing independent auditing services, including preparation and audit of the Annual Comprehensive Financial Report, increasing the contract authority by \$112,000 for a total not-to-exceed amount of \$266,460, with a term expiring June 30, 2028.

BACKGROUND:

HdL Coren & Cone - Property Tax Services

On June 30, 2019, the City Manager executed Agreement No. 2019-057 between the City and HdL Coren & Cone (HdLCC) to provide annual professional property tax management, information, and audit services for an amount not-to-exceed \$24,300 and a term ending June 30, 2021. On July 8, 2021, the City Manager executed Amendment No. 1 to extend the term to June 30, 2022, and increased the total not-to-exceed amount

by \$12,400 to \$36,700. On June 21, 2022, the City Council authorized Amendment No. 2 to extend the term of the agreement to June 30, 2023, and increased the total not-to-exceed by \$13,315 to \$50,015. On June 20, 2023, the City Council authorized Amendment No. 3 to extend the term of the agreement to June 30, 2025, and increased the total not-to-exceed amount by \$30,000 to \$80,015. On July 15, 2025, the City Council authorized Amendment No. 4 to extend the term of the agreement to June 30, 2026, and increased the total not-to-exceed amount by \$14,945 to \$94,960.

City staff relies on the specialized expertise and resources of HdLCC to provide property tax management and audit services on revenues distributed from the County of Santa Barbara. The management services include providing quarterly reports and monthly updates to assist with budget forecasting and detailed property tax analysis. The consultant also provides a web-based property tax database, which allows staff to review parcel information and land ownership. The audit services include identifying, correcting, and recovering any misallocated property tax revenues.

Hinderliter, de Llamas and Associates - Cannabis Compliance Services

In December 2018, the City Council executed Agreement No. 2018-125 between the City and Hinderliter, de Llamas and Associates (HdL) to provide professional cannabis consulting services and expertise in the development and revision of cannabis ordinances and program implementation. Services also include assistance with regulatory compliance licensing reviews, as well as optional compliance inspections and financial and tax audit services. The processing of cannabis business licenses is a multi-departmental work effort, involving Finance, Human Resources/Risk Management, Planning, Building and Safety, and Public Safety. Contracting with HdL provides the supplemental staffing support and technical expertise needed to review cannabis businesses for compliance with state and local law.

The original Agreement No. 2018-125 with HdL was in the not-to-exceed amount of \$30,000 and expired June 30, 2019. On June 4, 2019, Amendment No. 1 extended the term to June 30, 2021, and increased the total not-to-exceed amount to \$154,000. On June 15, 2021, the City Council authorized Amendment No. 2 to extend the term of the agreement to June 30, 2023, and increased the total not-to-exceed amount by \$170,000 to \$324,000. On October 3, 2023, the City Council authorized Amendment No. 3 to extend the term of the agreement to June 30, 2025, and increased the total not-to-exceed amount by \$60,000 to \$384,000. On July 15, 2025, the City Council authorized Amendment No. 4 to extend the term of the agreement to June 30, 2026, and increased the total not-to-exceed amount by \$158,000 to \$542,000.

Rogers, Anderson, Malody & Scott, LLP – Auditing Services

The City is required to conduct an annual independent financial audit of its financial records in accordance with generally accepted auditing standards. On April 5, 2011, the City Council adopted Resolution No. 11-34-A establishing the City's Auditor Rotation and Selection Policy (Policy). The Policy is intended to preserve auditor independence,

support transparency, and provide the City the benefit of a fresh perspective through the periodic rotation and selection of independent auditors.

The Policy provides that a full-scale competitive process will be held at a minimum every five years for the selection of the City's independent auditing firm. The Policy further provides that the initial contract term should be for three years and, provided services are satisfactory, the firm may be retained for an additional two years thereafter, subject to Council approval. The Policy also provides that the current auditing firm will not be reconsidered to serve beyond a five-year consecutive period unless there is a minimum three-year break in service.

Following the conclusion of the City's five-year engagement with Moss, Levy & Hartzheim, LLP, the City issued a competitive Request for Proposal (RFP) in May 2023 for independent auditing services. On June 20, 2023, the City Council executed Agreement No. 2023-065 with Rogers, Anderson, Malody & Scott, LLP (RAMS) to provide independent auditing services for an initial three-year term ending June 30, 2026, in an amount not-to-exceed \$154,460.

Services under the agreement include the preparation and audit of the City's Annual Comprehensive Financial Report (ACFR), Single Audit (if applicable), Gann Appropriation Limit Review, State Controller's Annual Street Report, and Financial Transactions Report. The proposed Amendment No. 1 would exercise the policy's allowable two-year extension, subject to Council approval, and would extend the agreement through June 30, 2028. Staff will conduct a new competitive process in FY 2027/28 for future audit services consistent with the five-year rotation requirement.

DISCUSSION:

The recommended amendments would allow the City to continue receiving professional services for property tax management, cannabis compliance, and independent auditing services without interruption. Each existing agreement expires June 30, 2026. The proposed amendments would extend HdLCC and HdL for one additional year, through June 30, 2027, and would extend RAMS for two additional years, through June 30, 2028, consistent with the City's Auditor Rotation and Selection Policy.

HdL Coren & Cone - Property Tax Services

The existing agreement expires June 30, 2026. Services provided under the continuing contract include property tax management services, a review of property tax revenues due to the City, assistance with future revenue projections, preparation of the Gann limit calculation, quarterly reports, a web-based application with individual parcel information, and identification and correction of any County errors resulting in the misallocation of property tax revenues. The amended annual fixed fee of \$15,400 is subject to adjustment by the California Consumer Price Index (CCPI) for all items, as determined by the California Department of Industrial Relations.

The City is satisfied with HdLCC's services and their continued responsiveness, and therefore, staff is recommending that the City Council authorize the City Manager to execute Amendment No. 5 to Professional Services Agreement No. 2019-057 with HdLCC for property tax management, information, and audit services, extending the term of the agreement to June 30, 2027 and increasing the contract authority by \$15,400 for a new total not-to-exceed amount of \$110,360. The proposed Amendment No. 5 is provided in Attachment 1. The original agreement (2019-057) and prior amendments are included in Attachment 4.

Hinderliter, de Llamas and Associates - Cannabis Compliance Services

The existing agreement expires June 30, 2026. HdL's expertise is necessary for ongoing cannabis application reviews, on-site inspections, monitoring, and compliance, as well as financial audits of cannabis business license applicants. Services will continue to include permit renewal document review, site and security plan evaluations, pre-license site visits, regulatory compliance inspections, cannabis revenue audits, technical assistance and subject matter expertise, and new permit documentation review.

Staff is recommending that the City Council authorize the City Manager to execute Amendment No. 5 to Professional Services Agreement No. 2018-125 with HdL, extending the term of the agreement to June 30, 2027, and increasing the contract authority by \$78,000 for a total not-to-exceed amount of \$620,000. The consultant will continue to review applications, provide preliminary and final site inspections, and conduct tax audits as necessary in accordance with Goleta Municipal Code Chapter 5.09 (Commercial Cannabis Businesses) and Chapter 3.08 (Cannabis Business Tax). The proposed Amendment No. 5 is provided in Attachment 2. The original agreement (2018-125) and prior amendments are included in Attachment 5. The majority of costs associated with this contract are supported by the cannabis business license fee revenues.

Rogers, Anderson, Malody & Scott, LLP – Auditing Services

The existing Agreement No. 2023-056 expires June 30, 2026. RAMS has provided timely, accurate, and thorough audit services that are well-aligned with the City's annual audit requirements and the preparation of the ACFR. Services under the extended agreement will continue to include the preparation and audit of the ACFR, compliance with Government Auditing Standards and Office of Management and Budget (OMB) Uniform Guidance, Gann Appropriation Limit agreed-upon procedures, preparation of the State Controller's Annual Street Report and Financial Transactions Report, and pension and Other Post- Employment Benefits (OPEB) journal entries and footnote disclosures.

The City is satisfied with the quality and responsiveness of RAMS' auditing services. Pursuant to the City's Auditor Rotation and Selection Policy, discussed above in the Background section of the report, staff is recommending that the City Council authorize the City Manager to execute Amendment No. 1 to Professional Services Agreement No. 2023-065 with RAMS, extending the term of the agreement to June 30, 2028, and increasing the contract authority by \$112,000 for a new total not-to-exceed amount of

\$266,460. The proposed Amendment No. 1 is provided in Attachment 3. The original agreement is provided in Attachment 6.

FISCAL IMPACTS:

The cost of the recommended amendments is supported by the City’s General Fund. Sufficient budget appropriations were included as part of the proposed FY 2026/27 Mid-Cycle budget. To the extent auditing services under the RAMS amendment extend into FY 2027/28, those costs will be subject to future budget appropriation by the City Council. The following table summarizes the recommended amendments described above.

Vendor	Current Amount	Amended Amount	Total Not-To-Exceed
GL 101-30-3100-51200 (Professional Services)			
HdL Coren & Cone (Property Tax Services)	\$94,960	\$15,400	\$110,360
HDL (Cannabis Compliance Services)	\$542,000	\$78,000	\$620,000
Rogers, Anderson, Malody & Scott, LLP (Auditing Services)	\$154,460	\$112,000	\$266,460
Total	\$791,420	\$205,400	\$996,820

ALTERNATIVES:

The City Council may choose not to approve one or more of the recommended amendments discussed herein; however, this would result in significant delays in critical work related to property tax revenues, cannabis compliance and auditing, and the City’s annual independent financial audit. Delays may impact budget accuracy, regulatory enforcement, and the timely preparation of the Annual Comprehensive Financial Report and related compliance reporting.

LEGAL REVIEW BY: Isaac Rosen, City Attorney

APPROVED BY: Robert Nisbet, City Manager

ATTACHMENTS:

1. Amendment No. 5 to Professional Services Agreement No. 2019-057 with HdL Coren & Cone
2. Amendment No. 5 to Professional Services Agreement No. 2018-125 with Hinderliter, de Llamas and Associates
3. Amendment No. 1 to Professional Services Agreement No. 2023-065 with Rogers, Anderson, Malody & Scott, LLP

4. Professional Services Agreement No. 2019-057 with HdL Coren & Cone and Amendments No. 1 through No. 4
5. Professional Services Agreement No. 2018-125 with Hinderliter, de Llamas and Associates and Amendments No. 1 through No. 4
6. Professional Services Agreement No. 2023-065 with Rogers, Anderson, Malody & Scott, LLP

ATTACHMENT 1

Amendment No. 5 to Professional Services Agreement No. 2019-057 with HdL Coren &
Cone

**AMENDMENT NO. 5
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND HDL COREN & CONE**

This **Amendment No. 5** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **HDL Coren & Cone** ("Consultant") dated July 17, 2019 ("Agreement," Agreement No. 2019-057) is made on this ____ day of ____, 20__.

SECTION A. RECITALS

1. This Agreement is for the property tax management, information and audit services; and
2. This Agreement has been amended to provide additional compensation for continued tasks, update the fixed annual fee, and extend the termination date of the agreement (Amendment No. 1, 2, 3, and 4); and
3. The Agreement currently provides for the total compensation amount not to exceed \$94,960; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$15,400 for continued tasks; and
5. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2026; and
6. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2027; and
7. The Agreement currently provides in Exhibit A-4 entitled "Scope of Services" the complete and particular description of services; and
8. The parties desire to amend Exhibit A-4 by adding additional services as more completely and particularly set forth in the Scope of Services, attached as Exhibit "A-5"; and
9. The City Council approved this Amendment No. 5, on this ____ day of ____, 20_____.

SECTION B. AMENDED TERMS

Now therefore City and Consultant agree that the Agreement be, and hereby is, amended as follows:

City of Goleta
Amendment No. 5 to Agreement No. 2019-057
Page 1 of 8

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$15,400 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of **\$110,360** (herein "not-to-exceed amount") and shall be earned as the work progresses.

Hourly at the hourly rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Schedule of Fees marked Exhibit "B," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2027, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2027, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A-4 "Scope of Services" with **Exhibit A-5 "Scope of Services"** attached hereto and incorporated herein.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

In concurrence and witness whereof, this Amendment No. 5 has been executed by the parties effective on the date and year first above written

CITY OF GOLETA

CONSULTANT

Robert Nisbet, City Manager

Paula Cone, President

ATTEST:

Deborah Lopez, City Clerk

Nichole Cone-Morishita, CFO

APPROVED AS TO FORM:
ISAAC ROSEN, CITY ATTORNEY

Signed by:


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Scott Shapses, Deputy City Attorney



Exhibit A – 5

PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES

SCOPE OF SERVICES

Services provided include property tax management service, secured and unsecured parcel audits, budget projections, and Successor Agency support.

Reports and Management Analyses ⁽¹⁾

HdL Coren & Cone (HdLCC) will provide the following reports. Reports are also available from prior years if required.

- A five-year history of the values within the City, and custom (city defined) geographic areas;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners for the City including the combined assessed values of their property and property use code designation;
- A listing and summary of property transfers which occurred since the lien date ordered by month;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;
- A comparison of property within the City by county use-code designation;
- A multiple year comparison of growth by use code designation over a 5-year period;

- A listing by parcel of new construction activity to identify non-residential parcels with new construction activity and to provide reports for use in the City's preparation of Proposition 4 and 111 State Appropriation Limit calculations;
- A listing of absentee owner parcels;
- Calculate an estimate of property tax revenue anticipated to be received for the current fiscal year by the City based upon the initial information provided by the County and subject to modification. This estimate shall not be used to secure the indebtedness of the City.
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
- Tracking of Proposition 8 reductions and restorations
- Median sale price data for current year and prior years for comparison
- Five-year budget projections for the city general fund and special districts. This report is interactive for tax modeling.
- Newsletter summary for public and elected distribution.

Successor Agency Services

Successor Agency Services including but not limited to:

- Annual tax increment projections
- Cash flow analysis for the Successor Agency by Project Area
- Review of Redevelopment Obligation Payment Schedules (ROPS) as requested.
- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency.
- Coordinate, as needed, with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency.

- Prepare, as requested, estimates of pass through and residual revenue payments to the City and City sub-entities, if any.

Monthly/Quarterly Reports and System Updates

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the web-based application and updated on a monthly basis.

Web-Based Application

- HdLCC provides a web-based application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

Fee for Services

HdLCC shall provide the Base Services described above for a fixed annual fee of \$15,400 (invoiced quarterly). The fee is based on the number of parcels in the City of Goleta (10,241 parcels).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

On-Going Consultation

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$250 per hour
Principal	\$225 per hour
Programmer	\$200 per hour
Associate	\$175 per hour
Senior Analyst	\$125 per hour
Analyst	\$ 90 per hour
Administrative	\$ 70 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by HdLCC annually. On July 1st of each year HdLCC shall provide the City with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year.

Identification and Correction of Errors

Fees for the identification and correction of errors are on a contingent basis, HdLCC shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to the City recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by HdLCC (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). HdLCC shall separate and support said reallocation and provide the City with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. The City shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to HdLCC shall be made within thirty (30) days after the City receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone
120 S State College Boulevard, Suite 200
Brea, California 92821
714.879.5000

ATTACHMENT 2

Amendment No. 5 to Professional Services Agreement No. 2018-125 with Hinderliter,
de Llamas and Associates

**AMENDMENT NO. 5
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 5** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation (“City”) and **Hinderliter, De Llamas and Associates** (“Consultant”) dated January 4, 2019 (“Agreement,” Agreement No. 2018-125) is made on this ____ day of ____, 20____.

SECTION A. RECITALS

1. This Agreement is for the professional cannabis consulting services; and
2. This Agreement has been amended to provide additional compensation for continued task and extend the termination on the agreement (Amendment No.4); and
3. The Agreement currently provides for the total compensation amount not to exceed \$542,000; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$78,000 for continued tasks; and
5. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2027; and
6. The Agreement currently provides in Exhibit A-3 and B-3 entitled “Scope of Work” and “Cost Schedule” complete and particular description of services; and
7. The parties desire to amend Exhibit A-3 and B-3 of the Agreement to identify the new fixed annual fee for Base Services, attached as Exhibit "A-4 and B-4"; and
8. The City Council approved this Amendment No. 5, on this ____ day of ____, 20____.

SECTION B. AMENDED TERMS

Now therefore City and Consultant agree that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$78,000 and to read in its entirety:

(a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$620,000 (herein "not-to-exceed amount") and shall be earned as the work progresses.

Hourly at the hourly rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Schedule of Fees marked Exhibit "B-4," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2027 after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2027, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A-3 "Scope of Services" with **Exhibit A-4 "Scope of Services"** attached hereto and incorporated herein.

4. This Agreement is amended to delete and replace in its entirety:

Exhibit B-3 "Cost Schedule" with **Exhibit B-4 "Cost Schedule"** attached hereto and incorporated herein.

5. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

In concurrence and witness whereof, this Amendment No. 5 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

CONSULTANT

Robert Nisbet, City Manager


Andrew Nickerson, President/CEO

ATTEST:

Deborah Lopez, City Clerk

Richard Park, CFO

APPROVED AS TO FORM:
ISAAC ROSEN, CITY ATTORNEY

Signed by:


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Scott Shapses, Deputy City Attorney

EXHIBIT A – 4 SCOPE OF SERVICES

Objective 1: Review Permit Renewal Documents

HdL shall review and evaluate all documents for annual cannabis business permit renewals. The City shall notify HdL upon receipt of a cannabis business permit renewal application. This notification is generated through the City's internal tracking system. Upon receiving the notification, HdL shall access the system and download all renewal application materials. HdL's reviewers shall evaluate whether the application is complete and provides all necessary and requested information as required by the City. Reviews shall include narrative comments noting any deficiencies. If an application is deemed incomplete, the applicant shall be given an opportunity to submit supplemental information to address any deficiencies.

Each renewal application evaluation shall be completed within 60 days of the HdL receiving the application. Permit renewals are conditioned upon satisfactory completion of regulatory compliance inspections. If the inspection identifies any changes to the physical layout of the facility, then the permit renewal may also require a site plan evaluation (Objective 2).

Objective 2: Site Plan Evaluations

HdL shall review the premises diagram for each commercial cannabis business as needed or requested by the City to assist with the review of any permit renewal applications. The review shall ensure that any changes or modifications to the physical layout of the facility are compliant with state law and local regulations and are properly reflected in the site diagram. The review shall specifically address all cannabis-related interior and exterior physical site security requirements including entrances and exits, product and customer flow, limited access areas, locks and alarm systems, surveillance camera locations, safes, signage, and other criteria.

HdL shall provide the City with a report identifying any variances from the premises diagram as previously approved and detailing any deficiencies or recommended changes that need to be addressed prior to permit renewal.

Objective 3: Pre-License Site Visits

HdL shall conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy. Site visits shall complement the final building inspection by verifying all interior and exterior physical site security requirements have been addressed in

accordance with the application and all State and local requirements as shown on the premises diagram. Site visits shall examine all entrances and exits, limited access areas, locks and alarm systems, access control procedures, surveillance camera locations, safes and cash management procedures, signage, operational protocols and administrative privileges associated with the license type(s) being sought, and other requirements as necessary. The HdL inspector may be accompanied on the site inspection by the City's building inspector or representatives from the Police Department and Fire Department, if desired by the City.

The cost for this service includes a secondary review of the premises diagram noting any revisions pursuant to HdL's recommendations, coordination and arrangements with the business and other agencies, site visit, post-inspection report, all travel costs and any follow up. This cost assumes 10-days advance notice for scheduling and travel arrangements. A shorter lead time may incur additional travel charges.

Objective 4: Regulatory Compliance Inspections

HdL will conduct one or more on-site compliance inspections annually, as requested by the City, for each permitted cannabis business to determine compliance with State and/or local laws. If HdL identifies any non-compliant activities, we will provide the City with a recommended appropriate action to address the deficiency and to ensure future compliance by the permittee.

The cost for these services includes all of the following:

- Notifying permittee of pending inspection
- On-site inspection to ensure that each business complies with all State and local laws and regulatory protocols for all of the following:
 - Inventory management
 - Cash handling procedures
 - Access control
 - Video surveillance
 - Product safety
 - Alarm system maintenance and safety
 - Lock standards
 - Packaging and labeling
 - Waste management
 - Transportation documentation
 - Surveillance equipment maintenance

- Occupational badges
- Business records
- Other items as necessary to ensure compliance with laws
- Preparation of a draft report detailing the findings of the inspection and providing recommendations for improvement where needed. If the inspection identifies any violations of law or other non-compliance issues, then HdL will prepare a notice to comply as an included part of the report.
- All travel costs associated with the inspection, assuming a minimum of four inspections per day. If fewer than four inspections are requested, HdL will charge for travel based upon hourly rates, or a flat fee to be determined in consultation with City.
- All phone, email and other communications involved in preparing for, scheduling and coordinating the inspections and providing the report.

Facilities greater than 30,000 square feet will be subject to an additional cost at HdL's hourly rate to account for the additional time involved in conducting inspections, documenting issues of non-compliance and preparing reports. HdL will notify the City in advance if additional hourly charges are necessary to complete the inspection.

Issuance of the inspection report constitutes completion of this service. The cost for this service does not include any follow-up re-inspection or review of any documents provided to address or contest any findings of non-compliance, nor does it include any assistance with administrative appeals, litigation, cannabis tax policy questions or guidance, or other services not directly associated with conducting the inspection. Any such additional services requested by the City would be subject to agreement by HdL and would be billed at HdL's standard hourly rate.

Objective 5: Cannabis Revenue Audits

HdL will conduct an annual revenue audit of each cannabis business to verify the accuracy of the revenue reported and remitted to the City during the review period and will recommend a tax adjustment should the audit reveal any variances in reported revenue. As part of the audit process, HdL will conduct a risk-based review of each business using our proprietary methodology, which was developed to specifically address the unique challenges associated with auditing the cannabis industry. Our methodology allows audit staff to cross-analyze multiple business records to identify reporting variances, discrepancies and outliers to produce the most accurate measure of gross receipts on behalf of the City.

To initiate the process, the City shall provide HdL with a list of all licensed cannabis businesses subject to audit. HdL shall work with the City to determine the appropriate

review period for each business and to develop a schedule for conducting all audits. As the time for each audit approaches, HdL will prepare a notification letter informing the licensee of the impending audit and providing a list of all records and documentation the business is required to provide, including remote access to the business's point-of-sale (POS) system where applicable. HdL recommends that the notification letter be sent by the City to communicate HdL's authority to conduct the audit and to encourage cooperation by the business.

The full annual audit shall include:

- Review Point-of-Sale (POS) and/or accounting system reports
- Review inventory system (subject to METRC data)
- Analyze and compare POS/accounting data with other available data sources, including:
 - City cannabis tax returns
 - State tax returns
 - Federal tax returns
 - METRC sales and inventory data
 - CDTFA data
 - Bank statements
 - Sales receipts
 - Other financial documents as available
- Identify any variances or over/under reporting
- Calculate any taxes or fees due to the City
- Prepare and issue report

Where cannabis cultivation is taxed on a square-footage basis, the audit shall include one annual site inspection to verify compliance with maximum permitted canopy area. Square footage audits may also consider documented findings from inspections by the City, DCC or other agencies, where available.

A business that holds multiple state cannabis licenses shall be considered a single business for audit purposes, provided that all licenses are held and operated under the same name, ownership, location, and a single tax ID number. Any variation may indicate separate business entities requiring separate audits. Any such determination shall be made on a case-by-case basis in consultation with the City.

HdL will provide a draft audit report to the commercial cannabis business. The business will be given an appropriate opportunity to respond to the report or provide supplemental information to address any disagreement with the findings. HdL will review any additional documentation provided by the business and will adjust the tax/fee assessment as appropriate prior to issuing the final report to the City. Issuance of the final report constitutes completion of the audit.

The cost for this service assumes a standard 12-month review period. The cost for a longer term shall be increased per each additional 6-month period (2 fiscal quarters). Pricing available upon request. This cost also assumes reasonable cooperation from the licensee. Non-cooperation by the licensee may result in additional charges at HdL's hourly rate, or in termination of the audit and potential enforcement action by the City. Any such action or additional charges would be determined in consultation with the City.

The cost does not include any review or revision to the audit after the final report has been issued to the City, nor does it include any assistance with collections or enforcement of audit findings, administrative appeals, litigation, cannabis tax policy questions or guidance, or other services not directly associated with preparing the revenue audit report. Any such additional services requested by the City would subject to agreement by HdL and would be billed at HdL's standard hourly rate.

Objective 6: Technical Assistance and Subject Matter Expertise

HdL will provide additional hours of general consulting to be utilized on an as-needed basis at the City's request. Such assistance may include technical assistance, subject matter expertise, education, monitoring of changes to State laws and regulations, participation in conference calls, responding to staff inquiries via phone and email, reviewing staff reports to the City Council, attendance or presentations, assisting with responses to inquiries from the public, or other issues yet to be determined as requested by the City. All technical assistance shall be mutually agreed upon by both parties prior to performing services.

Objective 7: Review Permit Documentation

HdL staff shall screen all forms and documents submitted by applicants for cannabis business permits to ensure that they are complete based upon an objective checklist of required documentation. Once all required documents have been provided, HdL shall conduct a full review to ensure that they provide all required information and address all criteria established by the City. HdL's reviewers shall evaluate whether the forms and documents provide all information necessary to meet the City's requirements in each

category. Applicants will be notified of any missing documents or information and will be given an opportunity to submit any missing information. Reviews shall be in conformance with the objective criteria established by the City's regulatory ordinance and application procedures guidelines.

Each application evaluation shall be completed within 60 days of the City receiving the full application, assuming reasonable cooperation by the applicant. HdL will provide the City with a report for each application stating whether or not it meets all requirements and identifying any deficiencies or missing information that were not subsequently addressed by the applicant. The report may also include comments, observations or recommendations where warranted. The report will not include any numerical score nor will it provide any specific recommendation as to whether or not the business should be issued a license. Any such determination shall be solely at the discretion of the City.

The cost for this service may vary depending upon the specifics of the City's application process.

Any change in cost shall be mutually agreed upon in consultation with the City prior to performance of the service. HdL's participation in any merit-based competitive application process shall require that the City agree to indemnify HdL from and against any and all claims resulting or arising from City's use of the work products provided under the agreement.

**EXHIBIT B – 4
COST SCHEDULE**

Once under contract, prices shall be honored for the initial term of the agreement, with extensions subject to mutually agreeable pricing.

Scope of Service Objectives	Estimated Cost
Objective 1: Review Permit Renewal Documents	\$900 per application
Objective 2: Site and Security Plan Evaluations	\$900 per evaluation
Objective 3: Pre-License Site Visits	\$2,500 per inspection
Objective 4: Regulatory Compliance Inspections One or more inspections per year, as requested by the City	\$2,500 per inspection
Objective 5: Cannabis Revenue Audits Assumes standard 12-month review period	\$10,000 per audit
Objective 6: Technical Assistance and Subject Matter Expertise	Hourly Rate ¹
Objective 7: Review Permit Documentation Requires mutual agreement on process in advance	\$3,500 per application
Travel: As needed for site visits or in-person meetings	Hourly Rate ¹ Plus Expenses
ESTIMATE OF TOTAL COSTS (assumes 1-year term)	
Review Permit Renewal Documents (assumes 8)	\$7,200
Site Plan Evaluations (assumes 2)	\$1,800
Pre-License Site Visits (assumes 2)	\$5,000
Regulatory Compliance Inspections (assumes 8)	\$20,000
Cannabis Revenue Audits (assumes 2)	\$20,000
Subject Matter Expertise (as needed, assumes 80-hours at \$300 p/hour)	\$24,000 ¹
TOTAL NOT TO EXCEED	\$78,000
¹ Or at a flat rate to be determined in consultation with the City	

This proposal does not include any additional services that are not specifically enumerated herein. The proposal assumes HdL will not be asked to review any supplemental information provided by applicants, and that HdL will not be a part of any enforcement action, appeal, arbitration, or civil litigation resulting from the findings of an inspection and/or audit. Any such additional reports, documentation or assistance that may be required would be in addition to the costs shown in the table above and shall be billed at HdL's hourly rate. This includes assistance with administrative hearings and/or civil litigation involving cannabis applicants or licensees.

Hourly Rates for HdL Staff

The prices in this proposal are calculated based on the hourly rates for each HdL staff member and the anticipated time involved. Any additional services requested by the client that are not specifically described in this proposal would be billed at HdL's standard hourly rate of \$300 per hour. HdL will not exceed the maximum estimated number of hours without first notifying the City and receiving written approval in advance.

ATTACHMENT 3

Amendment No. 1 to Professional Services Agreement No. 2023-065 with Rogers,
Anderson, Malody & Scott, LLP

**AMENDMENT NO. 1
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND ROGERS, ANDERSON, MALODY & SCOTT, LLP**

This **Amendment No. 1** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation (“City”) and **ROGERS, ANDERSON, MALODY & SCOTT, LLP** (“Consultant”) dated June 20, 2023 (“Agreement,” Agreement No. 2023-065) is made on this ____ day of ____, 20____.

SECTION A. RECITALS

1. This Agreement is for the professional consulting services pertaining to the City of Goleta’s annual audit; and
2. The Agreement currently provides for the total compensation amount not to exceed \$154,460; and
3. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$112,000 for continued tasks; and
4. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2026; and
5. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2028; and
6. The Agreement currently provides in Exhibit A entitled “Scope of Work” the complete and particular description of services; and
7. The parties desire to amend Exhibit A by adding additional services as more completely and particularly set forth in the Scope of Work, attached as Exhibit "A-1"; and
8. The parties desire to amend Exhibit B of the Agreement to identify the new “Scheduled of Fees” for Base Services, attached as Exhibit B-1; and
9. The City Council approved this Amendment No. 1, on this ____ day of ____, 20____.

SECTION B. AMENDED TERMS

Now therefore City and Consultant agree that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$112,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of **\$266,460** (herein "not-to-exceed amount") and shall be earned as the work progresses.

At the rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Schedule of Fees marked Exhibit "B-1," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2028, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. This Agreement is amended to delete and replace in its entirety:

Exhibit A "Scope of Work" with **Exhibit A – 1 "Scope of Work"** attached hereto and incorporated herein.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit B "Schedule of Fees" with **Exhibit B – 1 "Schedule of Fees"** attached hereto and incorporated herein.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

In concurrence and witness whereof, this Amendment No. 1 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

CONSULTANT

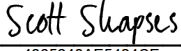
Robert Nisbet, City Manager

Scott Manno, CPA, CGMA, **Partner**

ATTEST:

Deborah Lopez, City Clerk

APPROVED AS TO FORM:
ISAAC ROSEN, CITY ATTORNEY

Signed by:


4365248AE5424CE
Scott Shapses, Deputy City Attorney

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING

Exhibit A-1 Scope of Work

1. Specific audit approach

Services to be provided

The City desires an Annual Comprehensive Financial Report (ACFR) to be prepared and audited by the independent auditor for the fiscal year ended June 30, 2026 and 2027. The City will submit the ACFR to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting Program.

In addition, we shall:

- Prepare the ACFR.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules, if applicable.
- Provide opinions as to the compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). RAMS is to provide an "in-relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements.
- Test compliance with Article XIIB pertaining to the City's appropriation limit and prepare an Agreed-Upon Procedures report to the City Council regarding compliance.
- Prepare the Annual Financial Transaction Report City and Special District (currently we utilize a sub-contractor for this) if requested.
- Prepare the Annual Street Report if requested.
- We will provide the Pension & OPEB journal entries and footnote disclosures each year if needed.
- We will keep City staff informed of new guidance and developments that may affect municipal accounting and finance.
- We will hold meetings prior to the commencement of fieldwork at the beginning of the audit and after the first draft of financial statements has been prepared. The engagement partner will attend the meetings.
- We will be available to the City Council or management to answer questions related to the audit.
- If an extended scope is determined, we shall provide the City with all ascertainable facts with an estimate of additional services required and the proposed price.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). (Single Audit)
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Specific audit approach (continued)

Reports to be issued:

- A report on the fair presentation of the financial statements in conformity with GAAP.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- A report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: City Manager, Finance Director and City Attorney.
- Retain all working papers (at our expense) for a minimum of seven (7) years, unless we are notified by the City of the need to extend that period. In addition, we will make working papers available to the City and/or any government agency as appropriate, in addition to successor auditors.

Engagement approach

Our engagement approach for your audit will be developed, in part, by using established goals which will enable measurement of the audits progress by the engagement partner and lead auditor. This involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with our goals and that any issues which may arise are communicated and dealt with on a timely basis. In addition, our in-depth knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the control environment in each year's audit and thus enables us to respond to any needed risk assessment changes.

Our engagement approach has been developed and refined over many years. The foundation of our approach revolves around the following:

- **Knowledge and experience.** We have been auditing governmental entities like the City, both large and small, for over 74 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit. It also enables us to perform detailed risk assessment procedures allowing us to identify significant audit risk areas within the City and its control environment.
- **Intelligent design.** As discussed later in our proposal, all our audits are designed to be intelligent using our powerful audit software/data analytic tools (*Engagement and Teammate Analytics*). This allows us to analyze large amounts of data in seconds increasing both the efficiency and, more importantly, the effectiveness of all our audit engagements.
- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we can design audit strategies that result in effective and efficient audits.

Specific audit approach (continued)

- **Timeliness.** Deadlines are not just dates to us, they are professional commitments. All required deadlines will be met.
- **Open communication.** Open lines of communication with all parties (the engagement team members and City Management and staff) throughout the audit process helps to eliminate surprises. Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.
- **Availability.** All engagement team members are available throughout the year for any questions or additional consultation. City staff will have direct access to the partner, manager, and other supervisory staff at all times during the engagement, as well as after.
- **Cost effectiveness.** Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs while still providing an effective audit and high-quality reports.
- **Risk based approach.** Our detailed risk assessment procedures will consist of activities performed to obtain an understanding of the City and its environment, including its internal control. Evidence from these activities will provide the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. While performing our risk assessment procedures and we may choose to perform further audit procedures concurrently with risk assessment procedures as deemed necessary. In addition, risk assessment procedures will provide some of the necessary evidence about the relevant assertions related to classes of transactions, account balances, or disclosures and about the operating effectiveness of controls.

As indicated in the previous section of the proposal, the overall objective of the engagement with the City is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion(s) on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value-added characteristics, at no additional cost, that will benefit the City over the long-term:

- All our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of the City.

Audit approach and proposed audit segmentation

The following is a summary of the audit team's audit approach for the engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration, and internal control testing

During this phase of the audit, our principal objectives will be to gather information about the City and its environment, including its internal control over financial reporting.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the City's staff in order to determine convenient dates in which we can begin

Specific audit approach (continued)

our audit and to discuss the assistance to be provided by the City's staff.

- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.
- Review and evaluate the City's accounting and reporting processes by reviewing the prior year's audit workpapers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of governance meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the City.
- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation to determine whether the relevant controls are in place and functioning properly.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of the City's operations.
- Utilize our powerful audit data analytic software allowing us to analyze large amounts of data in seconds and focusing on areas/transactions that are red flagged.

In addition, we will perform the following procedures related to IT General Controls that "touch" financial data:

- *Security access (including physical) controls:* Evaluate the general system security settings and password parameters; evaluate the process for adding, deleting, and changing security access; evaluate the access capabilities of various types of users; evaluate access controls to networks and financial applications; evaluate access controls related to data files; and evaluate physical access to networks, servers, etc.
- *Computer operations:* Evaluate backup and recovery processes and review processes of identifying and handling operational problems.
- *System development and system changes:* Evaluate processes related to system development and system changes (if applicable).
- *Application testing:* We will determine if the testing of application controls is deemed necessary based on our professional judgment in the planning stages of the engagement.

Specific audit approach (continued)

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

Segment 2 - Year-end testing - substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit and evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Identify significant risks and develop a detailed audit plan using the results in Segment 1.
- Design substantive tests of account balances designed and modified specifically for the City's operations and assessed level of risk. Substantive procedures will consist of testing material balance sheet accounts, material revenue and expenditure/expense accounts along with various analytical procedures as deemed necessary. In addition, various accounts may be confirmed with outside parties (cash, investments, etc.).
- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

If any proposed audit adjustments are noted during this phase, we will discuss and explain them, in detail, with the appropriate level of management prior to posting.

Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit manager and one staff accountant with direct supervision by the audit partner. In addition, the engagement's quality control partner will perform a detailed quality control review of the financial statements. The above procedures are a general list of procedures to be performed. After our initial review of the

Specific audit approach (continued)

City and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the City and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit. The foundation of the above approach is based on open communication coupled with a strong knowledge of the City's operations and detailed planning at the initial stages of the audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff and decide on adequate timeframes, agreed upon by both the City and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agreed upon time frames.*

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Senior	Staff	Total
Segment 1	6	10	33	50	99
Segment 2	12	16	53	66	147
Segment 3	14	14	46	16	90
Totals*	32	40	132	132	336

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

Intelligent audit technology

Our audits are designed to be intelligent using our powerful audit software tools (Engagement and Teammate Analytics). In addition, all audit team members are linked to each other using wireless connections which enables them to share information at an almost real-time speed. Below are some of the benefits of our audit technologies:

- ***We utilize Teammate Analytics, a suite of more than 200 dynamic Computer Aided Audit Tools (CAATs). This allows us to analyze large amounts of data in***

Specific audit approach (continued)

seconds. Using data received directly from the City, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford's Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value-added services.

- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant City staff time.
- Once your trial balances and financial statements are entered into our software, we can observe your financial statements in the field allowing us to notice any variances and address them immediately.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide the City with fund financial statements almost immediately after importing the trial balances.
- We can provide the City with our audited trial balances which show the coding of the financial statement schedules for ease of review for City staff. These reports show each account coded to a specific financial statement line item/function as well as journal entries posted during the audit.
- We have the capability to perform effective and efficient audits remotely as well.

Analytical procedures

In order to properly utilize analytical procedures, industry background and knowledge are needed. With our firm's long history and qualified staff, we believe we have the necessary knowledge and experience to effectively apply analytical procedures. We will utilize analytical review procedures throughout our audit of the City.

- During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine which areas may need additional analysis; we will also compare current year actual amounts to the City's annual budget (both original and adopted).
- During the final phase of our audit, we will perform procedures like those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain reasonableness tests. Any significant variances are investigated further through inquiry and other substantive testing as deemed necessary until resolved to our satisfaction.
- Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the City, similar entities and the general economic environment. In addition, we may choose to use various other analytical techniques such as trend analysis, etc.

Unlike other audit firms, we use analytical procedures to supplement our substantive testing, not supplant them.

Specific audit approach (continued)

Understanding of internal control over financial reporting

Our approach to obtaining an understanding of the City’s internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring*. We will use customized procedures which we have developed internally to evaluate your internal control systems. By combining our customized procedures and our detailed knowledge of the City and its environment, we will be able to provide constructive feedback in areas we feel need improvement. In addition to our customized procedures, we will also perform the following:

Control Environment. Through inquiry of the City’s personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the governing body meetings, we will obtain an understanding of managements and the governing body’s attitudes, awareness, and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of the City’s personnel and the use of questionnaires, we will obtain sufficient knowledge of the City’s risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the City’s major transaction cycles. As mentioned above, we will test the City’s control procedures on which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

Information and Communication. Through inquiry of the City’s personnel, we will identify the major types of transactions engaged in by the City. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the City’s financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through inquiry of the City’s personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the City uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local governmental entity and design all our audits to ensure we test transactions for compliance. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the City’s financial statements. In determining which laws and regulations are applicable to the City’s financial statement audit, we will consult the following sources:

- AICPA Audit and Accounting Guide, *Audits of State and Local Governments*
- California Government Code (investments, GANN limit requirements, etc.)

Specific audit approach (continued)

- Applicable State of California laws
- U.S. Government Accountability Office's *Government Auditing Standards* (The Yellow Book), latest revision
- Applicable contracts/grants of the City
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance)

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance while continuing to refer to the applicable compliance guideline to ensure changes in compliance are not missed.

Effect of COVID-19 on our audits

The COVID-19 pandemic led to most of our audits being performed remotely in 2022. We were highly flexible with our clients and were able to perform almost all our audits remotely unless the clients requested a limited staff presence on-site. No matter how the pandemic continues to develop in California, we are prepared and able to continue serving our clients remotely, and even on-site with the appropriate precautions.

Auditing in a remote environment

The availability and use of technology has had a significant impact on the accounting and auditing profession, allowing us to provide professional services across longer distances and more timely than ever before. We have continued to evolve our ability to serve our clients remotely throughout the COVID-19 pandemic and have experienced new efficiencies for both auditor and auditee. We anticipate continuing to perform substantially all our audit work remotely and will work with the City to maximize the remote efficiencies using technology. If the City would like members of the audit team on-site, we will work with City management on determining an acceptable staffing level.

We maintain regular and routine contact with our clients throughout the audit planning, fieldwork, and conclusion phases of the audit with the use of email, phone calls, secure portals, video conferencing, project tracking schedules, and any other means necessary to ensure the timely completion of the audit by any agreed-upon deadlines. Our audit team is very responsive to our clients and we encourage our clients to connect with us throughout the year for any matters that may affect the audit or of a general accounting nature. We have found this to be mutually beneficial for both our clients and the annual audit work.

Remote auditing has many benefits some tangible, as listed above, others intangible. In performing remote audits, we are bettering our employee's quality of life by reducing unnecessary travel time, reducing traffic congestion on our local freeways while also helping to improve Southern California's air quality.

Specific audit approach (continued)

Proposed audit timing



<i>Anticipated timing of each segment</i>		
July/August	December/January	January/February
<ul style="list-style-type: none"> • Obtain an understanding of systems, internal controls, and current-year issues. • Assess and evaluate design and implementation of key internal controls (including IT related). • Perform tests of internal controls as needed. • Identify control deficiencies • Perform detailed risk assessment procedures. • Draft internal control comment letter. • Develop detailed audit plan - provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed. 	<ul style="list-style-type: none"> • Perform substantive audit fieldwork, including substantive analytical procedures. • Consider whether audit evidence is sufficient to form an opinion. • Conduct exit conference with management to discuss proposed entries, internal control issues, etc. 	<ul style="list-style-type: none"> • Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. • Review all workpapers. • Evaluate financial statements and note disclosures. • Perform final analytical procedures. • Draft required reports. • Issue final required reports by or before agreed upon date. • Present to governing body as needed.

CITY OF GOLETA
Exhibit B – 1 “Schedule of Fees”
For the years ended June 30, 2026 and 2027

Description of services	Fiscal year ending June 30,	
	2026	2027
City Audit and Related Reports	\$ 36,700	\$ 38,000
GANN Limit Review Report	850	880
Single Audit and Related Reports, if necessary*	5,330	5,520
Annual Street Report	2,560	2,650
City State & Successor Agency Controller Report	4,800	4,970
Goleta Financing Authority Controller Report	515	530
Total for Fiscal Year (not-to-exceed)	\$ 50,755	\$ 52,550

*= for one major program, each additional major program is \$4,140 and \$4,280 for FY 2026 and 2027, respectively

ATTACHMENT 4

Professional Services Agreement No. 2019-057 with HdL Coren & Cone and
Amendments No. 1 through No. 4

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF GOLETA
AND
HDL COREN & CONE**

This AGREEMENT FOR PROFESSIONAL SERVICES (herein referred to as "AGREEMENT") is made and entered into this 30 day of June, 2019, by and between the **CITY OF GOLETA**, a municipal corporation (herein referred to as "CITY"), and **HDL COREN & CONE, INC** (herein referred to as "CONSULTANT").

WHEREAS, the CITY has a need for professional audit services for Property Tax Analysis Project; and

WHEREAS, the CITY does not have the personnel able and/or available to perform the services required under this AGREEMENT, and therefore, the CITY desires to contract for professional services to accomplish this work; and

WHEREAS, the City Manager is authorized to execute this Agreement pursuant to Goleta Municipal Code section 3.05.070 because the Agreement does not exceed \$30,000.

CITY and CONSULTANT agree as follows:

1. RETENTION AS CONSULTANT

CITY hereby retains CONSULTANT, and CONSULTANT hereby accepts such engagement, to perform the services described in Section 2. CONSULTANT warrants it has the qualifications, experience, and facilities to properly and timely perform said services.

2. DESCRIPTION OF SERVICES

The services to be performed by CONSULTANT are as follows:

Professional property tax service, secured and unsecured parcel audits, assessment district processing, budget projections, Successor Agency support, and bond fiscal analysis. Services included are set forth in the Scope of Services, attached as Exhibit "A", and incorporated herein.

CONSULTANT shall deliver to CITY the deliverables defined in Exhibit "A."

3. COMPENSATION AND PAYMENT

(a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$24,300. (herein "not to exceed amount"), and shall be earned as the work progresses on the following basis:

CONSULTANT shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A", for a fixed annual fee of \$12,150 per fiscal year (invoiced quarterly).

CONSULTANT shall be paid 25 percent of misallocated revenue identified in the audit. CONSULTANT shall separate and support tax reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. CITY shall pay audit fees after CONSULTANT's submittal of evidence that corrections have been made by the appropriate agency. Payment to the CONSULTANT shall be made after CITY receives its first remittance advice during the fiscal year for which the correction applies.

(b) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

4. EXTRA SERVICES

CITY shall pay CONSULTANT for those CITY authorized extra services, not reasonably included within the services described in Section 2, as mutually agreed to writing in advance of the incurrence of extra services by CONSULTANT. Unless CITY and CONSULTANT have agreed in writing before the performance of extra services, no liability and no right to claim compensation for such extra services or expenses shall exist. The applicable hourly rates for extra services shall be at the hourly rates set forth in the compensation exhibit. Any compensation for extra services shall be part of the total compensation and shall not increase the not to exceed amount identified in Section 3.

5. CITY PROJECT MANAGER AND SERVICES BY CITY

The services to be performed by CONSULTANT shall be accomplished under the general direction of, and coordinate with, CITY's "Project Manager", as that staff person is designated by CITY from time to time, and who presently is Luke Rioux Project Manager shall have the authority to act on behalf of the CITY in administering

this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

6. TERM, PROGRESS AND COMPLETION

The term of this AGREEMENT is from the date first written above to June 30, 2021, unless term of this AGREEMENT is extended, or the AGREEMENT is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager.

7. OWNERSHIP OF DOCUMENTS

All drawings, designs, data, photographs, reports and other documentation (other than CONSULTANT's drafts, notes and internal memorandum), including duplication of same prepared by CONSULTANT in the performance of these services, are the property of CITY. CITY shall be entitled to immediate possession of the same upon completion of the work under this AGREEMENT, or at any earlier or later time when requested by CITY. CITY agrees to hold CONSULTANT harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this AGREEMENT, unless written authorization of CONSULTANT is first obtained.

8. PERSONAL SERVICES/NO ASSIGNMENT/SUBCONTRACTOR

This AGREEMENT is for professional services which are personal to CITY. Paula Cone is deemed to be specially experienced and is a key member of CONSULTANT's firm, and shall be directly involved in the performance of this work. This key person shall communicate with, and periodically report to, CITY on the progress of the work. Should any such individual be removed from assisting in this contracted work for any reason, CITY may terminate this AGREEMENT. This AGREEMENT may not be assigned or subcontracted without the City Manager's prior written consent.

9. HOLD HARMLESS AND INDEMNITY

(a) Hold Harmless for CONSULTANT's Damages. CONSULTANT holds CITY, its elected officials, officers, agents, and employees, harmless from all of CONSULTANT's claims, demands, lawsuits, judgments, damages, losses, injuries or liability to CONSULTANT, to CONSULTANT's employees, to CONSULTANT's contractors or subcontractors, or to the owners of CONSULTANT's firm, which damages, losses, injuries or liability occur during the work required under this

AGREEMENT, or occur while CONSULTANT is on CITY property, or which are connected, directly or indirectly, with CONSULTANT's performance of any activity or work required under this AGREEMENT.

(b) Defense and Indemnity of Third Party Claims/Liability. CONSULTANT shall investigate, defend, and indemnify CITY, its elected officials, officers, agents, and employees, from any claims, lawsuits, demands, judgments, and all liability including, but not limited to, monetary or property damage, lost profit, personal injury, wrongful death, general liability, automobile, infringement of copyright/patent/trademark, or professional errors and omissions arising out of, directly or indirectly, an error, negligence, or omission of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, or the willful misconduct of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, in performing the services described in, or normally associated with, this type of contracted work. The duty to defend shall include any suits or actions concerning any activity, product or work required under this AGREEMENT, and also include the payment of all court costs, attorney fees, expert witness costs, investigation costs, claims adjusting costs and any other costs required for and related thereto.

(c) No Waiver. CITY does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by CITY, or the deposit with CITY, of any insurance certificates or policies described in Section 10.

10. INSURANCE

CONSULTANT shall, at CONSULTANT's sole cost and expense, provide insurance as described herein. All insurance is to be placed with insurers authorized to do business in the State of California with an A.M. Best and Company rating of A- or better, Class VII or better, or as otherwise approved by CITY.

Insurance shall include the following (or broader) coverage:

- a) Insurance Services Office Commercial Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to 2004 and with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- b) Insurance Services Office form number CA 00 01 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of \$1,000,000 per accident. If the Service Provider owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Service Provider's commercial general liability policy.

- c) Workers' Compensation insurance complying with California worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit of \$1,000,000 per accident or disease.
- d) Professional liability insurance that covers the services to be performed in connection with this agreement, in the minimum amount of \$1,000,000 per claim.

Liability insurance policies required to be provided by CONSULTANT hereunder shall contain or be endorsed to contain the following provisions:

- a) CITY, its employees, officials, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work performed or related to the contract. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10, with an edition date prior to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37, or its equivalent.
- b) General and automobile liability insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage will not be limited to CITY's vicarious liability.
- c) Professional liability insurance policies inception date, continuity date, or retroactive date must be before the effective date of this agreement. CONSULTANT agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
- d) Liability coverage shall be primary and non-contributing with any insurance maintained by CITY.
- e) Evidence of coverage (including the workers' compensation and employer's liability policies) shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after 30 days' prior written notice has been given to CITY. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.
- f) No liability insurance coverage provided to comply with this AGREEMENT shall prohibit CONSULTANT, or CONSULTANT's employees, or agents, from waiving the right of recovery prior to a loss. CONSULTANT waives its right of recovery against CITY.

- g) CONSULTANT agrees to deposit with CITY within fifteen days of Notice to Proceed of the Contract certificates of insurance and required endorsements.
- h) There shall be no recourse against CITY for payment of premiums or other amounts with respect to the insurance required to be provided by CONSULTANT hereunder. Any failure, actual or alleged, on the part of CITY to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of CITY. CITY has no additional obligations by virtue of requiring the insurance set forth herein. In the event any policy of insurance required under this AGREEMENT does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will withhold amounts sufficient to pay premium from CONSULTANT payments.
- i) CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT arising out of the work performed under this AGREEMENT. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

11. RELATIONSHIP OF CONSULTANT TO CITY

The relationship of the CONSULTANT to CITY shall be that of an independent contractor and that in no event shall CONSULTANT be considered an officer, agent, servant or employee of CITY. CONSULTANT shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work.

12. CORRECTIONS

In addition to the above indemnification obligations, CONSULTANT shall correct, at its expense, all errors in the work that may be disclosed during CITY's review of CONSULTANT's report or plans. Should CONSULTANT fail to make such correction in a reasonably timely manner, such correction shall be made by CITY, and the cost thereof shall be charged to CONSULTANT or withheld from any funds due to CONSULTANT hereunder.

13. TERMINATION BY CITY

CITY, by notifying CONSULTANT in writing, may upon 10 calendar days notice, terminate without cause any portion or all of the services agreed to be performed under this AGREEMENT. If termination is for cause, no notice period need be given. In the event of termination, CONSULTANT shall have the right and obligation to immediately assemble work in progress for the purpose of closing out the job. All compensation for

actual work performed and charges outstanding at the time of termination shall be payable by CITY to CONSULTANT within 30 days following submission of a final statement by CONSULTANT unless termination is for cause. In such event, CONSULTANT shall be compensated only to the extent required by law.

14. ACCEPTANCE OF FINAL PAYMENT CONSTITUTES RELEASE

The acceptance by CONSULTANT of the final payment made under this AGREEMENT shall operate as and be a release of CITY from all claims and liabilities for compensation to CONSULTANT for anything done, furnished, or relating to CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of CITY'S check or the failure to make a written extra compensation claim within 10 calendar days of the receipt of that check. However, approval or payment by CITY shall not constitute, nor be deemed, a release of the responsibility and liability of CONSULTANT, its employees, subcontractors, agents and CONSULTANTS for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by CITY for any defect or error in the work prepared by CONSULTANT, its employees, subcontractors, agents and consultants.

15. AUDIT OF RECORDS

At any time during normal business hours and as often as it may deem necessary, CONSULTANT shall make available to a representative of CITY for examination of all its records with respect to all matters covered by this AGREEMENT and will permit CITY to audit, examine and/or reproduce such records. CONSULTANT will retain such financial records, time sheets, work progress reports, invoices, bills and project records for at least two years after termination or final payment under this AGREEMENT.

16. WAIVER; REMEDIES CUMULATIVE

Failure by a party to insist upon the strict performance of any of the provisions of this AGREEMENT by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this AGREEMENT, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

17. CONFLICT OF INTEREST

CONSULTANT is unaware of any CITY employee or official that has a financial interest in CONSULTANT'S business. During the term of this AGREEMENT and/or as a result of being awarded this AGREEMENT, CONSULTANT shall not offer, encourage or accept any financial interest in CONSULTANT'S business by any CITY employee or official.

18. CONSTRUCTION OF LANGUAGE OF AGREEMENT

The provisions of this AGREEMENT shall be construed as a whole according to its common meaning of purpose of providing a public benefit and not strictly for or against any party. It shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

19. MITIGATION OF DAMAGES

In all situations arising out of this AGREEMENT, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

20. GOVERNING LAW

This AGREEMENT, and the rights and obligations of the parties, shall be governed and interpreted in accordance with the laws of the State of California. Should litigation occur, venue shall be in Superior Court of Santa Barbara County.

21. NONDISCRIMINATION

CONSULTANT shall not discriminate on the basis of race, color, gender, gender identity/expression, pregnancy, sexual orientation, disability, marital status, or any other characteristic protected under applicable federal or state law.

22. TAXPAYER IDENTIFICATION NUMBER

CONSULTANT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. October 2018), as issued by the Internal Revenue Service.

23. NON-APPROPRIATION OF FUNDS

Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of CITY funds. In the event CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this AGREEMENT shall cover only those costs incurred up to the conclusion of the current fiscal year.

24. MODIFICATION OF AGREEMENT

The tasks described in this AGREEMENT and all other terms of this AGREEMENT may be modified only upon mutual written consent of CITY and CONSULTANT.

25. USE OF THE TERM "CITY"

Reference to "CITY" in this AGREEMENT includes City Manager or any authorized representative acting on behalf of CITY.

26. PERMITS AND LICENSES

CONSULTANT, at its sole expense, shall obtain and maintain during the term of this AGREEMENT, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this AGREEMENT.

27. CAPTIONS

The captions or headings in this AGREEMENT are for convenience only and in no other way define, limit or describe the scope or intent of any provision or section of the AGREEMENT.

28. AUTHORIZATION

Each party has expressly authorized the execution of this AGREEMENT on its behalf and bind said party and its respective administrators, officers, directors, shareholders, divisions, subsidiaries, agents, employees, successors, assigns, principals, partners, joint venturers, insurance carriers and any others who may claim through it to this AGREEMENT.

29. ENTIRE AGREEMENT BETWEEN PARTIES

Except for CONSULTANT'S proposals and submitted representations for obtaining this AGREEMENT, this AGREEMENT supersedes any other agreements, either oral or in writing, between the parties hereto with respect to the rendering of services, and contains all of the covenants and agreements between the parties with respect to said services.

30. PARTIAL INVALIDITY

If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

31. NOTICES

Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY: Attention: Michelle Greene, City Manager
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

TO CONSULTANT:

HdL Coren & Cone
120 S. State College Blvd., Suite 200 10
Brea, CA 92821

32. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES

This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

In concurrence and witness whereof, this AGREEMENT has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

HDL COREN & CONE

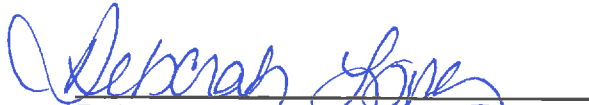


Michelle Greene, City Manager



Paula Cone, President

ATTEST



Deborah Lopez, City Clerk


By: _____ Title: _____

APPROVED AS TO FORM



Winnie Cai, Assistant City Attorney

**Exhibit A
Scope of Work**

PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES

Services provided include property tax management service, secured and unsecured parcel audits, assessment district processing, budget projections, Successor Agency support, and bond fiscal analysis.

Reports and Management Analyses (1)

The company will provide the following reports. Reports are also available from prior years if required.

- A five year history of the values within the city, successor agency and custom (city defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- A listing of the major property owners, including the assessed value of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A multiple year comparison of growth by use code designation over a 10 year period;
- State Appropriation Limit calculations;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year based upon the initial information provided by the County and subject

to modification. This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the City.

- Foreclosure data and Bank Owned Property listings
 - Property sales information, and Proposition 8 exposure and recapturing potential
 - Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
 - Budget forecasting model for 1 and 5-year projections for General Fund, Successor Agency and VLF in Lieu Revenues.
- (1) Reports area based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

Successor Agency Services

Successor Agency Services including but not limited to:

- Tax increment projections
- Cash flows for the Successor Agency by Project Area
- Assistance with Redevelopment Obligation Payment Schedules
- Assistance in providing property tax information for the taxing agencies receiving property tax revenues from former Project Areas
- Estimates of property tax revenues to be received by the taxing entities from former Project Areas
- Provide property tax information to the Oversight Board at the direction of the Successor Agency
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency

- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- Coordinate with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency
- Prepare as needed an assessment of resources available to the Successor Agency to meet the long term obligations of the former redevelopment agency.

Quarterly Reports and System Updates


- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a quarterly basis.

Web-Based Software

Delivering Revenue, Insight and Efficiency to Local Government

The City Of Goleta
9,572 parcels

Logout



GIS

Parcel: 079-200-012
 Use: 07 Commercial Hotel/Motel
 Owner: BRS INVESTMENT PROPERTIES LLC

TRA: 008-034 The City Of Goleta
 Agency: Goleta General Fund
 Zoning: Region (unknown)

Situs: 8301 HOLLISTER AVE
 GOLETA CA 931172348

DBA
 Mail Name: BRS INVESTMENT PROPERTIES LLC
 & Address: 2532 DUPONT DR IRVINE CA 92612 USA

This Parcel Is: Absentee Owned Pre Prop 13

Net AV: \$ 193,126,568 % Chg. from Prior Yr. 7.4%

Revenue type:	<input checked="" type="radio"/> General Fund	<input type="radio"/> Successor Agency	
Secured	\$97,141.66	% Share of Total Tax	5.02%
Unsecured	\$58.04		
Cross-Ref	\$0.00	Tax Bill	\$0.00
Total Rev	\$97,199.70		
Last Sale Date	02/26/2013	Sale Price	\$0

	Current Year Values		Prior Year Values	
Land	29,287,843	Exemptions	28,847,913	Exemptions
Improvements	138,112,085		136,037,513	
Fixtures				
Personal Property	25,726,640		14,940,000	
Totals	193,126,568		179,825,426	
Net Total AV	193,126,568		179,825,426	

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016



- The HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

On-Going Consultation

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$225 per hour
Principal	\$195 per hour
Associate	\$150 per hour
Programmer	\$150 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by CONSULTANT annually. On July 1st of each year CONSULTANT shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year. In addition, expenses for Optional Services shall be billed at 1.15 times actual incurred costs.

Compensation

- A. CONSULTANT shall provide the Base Services described in these Scope of Services, for a fixed annual fee of \$12,150.00 (invoiced quarterly).

- B. CONSULTANT shall be paid 25 percent of misallocated revenue identified in the audit. CONSULTANT shall separate and support tax reallocation and provide City with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. City shall pay audit fees after CONSULTANT's submittal of evidence that corrections have been made by the appropriate agency. Payment to the CONSULTANT shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

**AMENDMENT NO. 1
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND
HDL COREN & CONE**

This **Amendment No. 1** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation (“City”) and **HdL Coren & Cone** (“Consultant”) dated June 30, 2019 (“Agreement,” Agreement No. 2019-057) is made on this 8th day of ~~June~~, 2021.

^{July}
SECTION 1. RECITALS

- A. This Agreement is for property tax management, information and audit services; and
- B. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$24,300; and
- C. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$12,400 for continued services; and
- D. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2021; and
- E. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2022; and
- F. The Agreement currently provides in Exhibit A entitled “Scope of Services” the complete and particular description of services, which includes Base Services for a fixed annual fee; and
- G. The parties desire to amend Exhibit A of the Agreement to identify the new fixed annual fee for Base Services, attached as “Exhibit A-1”; and
- H. The City Manager approved this Amendment No. 1, on this 8th day of ~~June~~, 2021. July

AMENDED TERMS

Now therefore City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$12,400 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$36,700 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis:

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-1", for a fixed annual fee of \$12,400 per fiscal year (invoiced quarterly).

Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provided City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (b) **Payment.** Consultant shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional twelve months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2022, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A “Scope of Services” with Exhibit A-1 “Scope of Services” attached hereto and incorporated herein.

- 4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect

In concurrence and witness whereof, this Amendment No. 1 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

CONSULTANT

DocuSigned by:

Michelle Greene, City Manager

DocuSigned by:

Paula Cone, President

ATTEST:

DocuSigned by:

Deborah Lopez, City Clerk

DocuSigned by:

Nichole Cone-Morishita, CFO

APPROVED AS TO FORM:
MICHAEL JENKINS, CITY ATTORNEY

DocuSigned by:

Winnie Cai, Assistant City Attorney

June 3, 2021



PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES

SCOPE OF SERVICES

Services provided include property tax management service, secured and unsecured parcel audits, assessment district processing, budget projections, and Successor Agency support, and bond fiscal analysis

Reports and Management Analyses (1)

The company will provide the following reports. Reports are also available from prior years if required.

- A five year history of the values within the city, successor agency and custom (city defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- A listing of the major property owners, including the assessed value of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A multiple year comparison of growth by use code designation over a 10 year period;
- State Appropriation Limit calculations;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year based upon the initial information provided by the County and subject to modification. This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the City.
- Property sales information, and Proposition 8 exposure and recapturing potential
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.

June 3, 2021

- Budget forecasting model for 1 and 5-year projections for General Fund, Successor Agency and VLF In Lieu Revenues.

(1) Reports are based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

Successor Agency Services

Successor Agency Services including but not limited to:

- Tax increment projections by project area and for the Successor Agency
- Cash flows for the Successor Agency as requested
- Assistance with Redevelopment Obligation Payment Schedules as requested (additional charges may be required)
- Estimates of property tax revenues to be received by the City as requested
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the City and to taxing entities of the former redevelopment agency
- Coordinate as necessary with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency

Monthly/Quarterly Reports and System Updates

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

Web-Based Software

- The HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.

June 3, 2021

- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

Secured Assessment Details

Sec. Parcel: 073-050-027 Details

TRA: 008-036

Use Category: Industrial

Use Code: 31

Light Manufacturing

Owner: RAYTHEON COMPANY

DBA:

Mail Name: TAX DEPARTMENT

Mail Addr: BOX 660248
DALLAS, TX 75266

Absentee: Taxable:

Location: 6380 HOLLISTER AVE
City: GOLETA
Zip Code: 93117
Agency: City of Goleta - RDA
Exem Desc:

Net AV: \$39,030,673
HOX: \$0

General Fund Revenue: \$5,979.37
Successor Agency Revenue: \$273,367.34
Tax Bill: \$417,042.28

Asmt Num: 073-050-027
Use Code: 31
Use Description: Industrial
Owner Name: RAYTHEON COMPANY
Situs Address: 6380 HOLLISTER AVE
Taxable Value: \$39,030,673

Year	Land	Imprvmts.	Fixtures	Pers.Prop.	Exems	Net Total	% Change	Taxable
2020	\$4,976,945	\$8,877,918	\$1,258,300	\$23,917,510	\$0	\$39,030,673	-10.85%	<input checked="" type="checkbox"/>
2019	\$4,879,358	\$8,703,842	\$1,431,750	\$28,764,680	\$0	\$43,779,630	-2.38%	<input checked="" type="checkbox"/>
2018	\$4,783,685	\$8,533,179	\$1,573,030	\$29,959,150	\$0	\$44,849,044	8.45%	<input checked="" type="checkbox"/>

Value History

General

Sales

Date	Price	Transfer Type	Seller	Transaction
12-05-1980	\$0			

Overlays

Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

June 3, 2021

Fee for Services

CONTRACTOR shall provide the Base Services described above, for a fixed annual fee of \$12,400 (invoiced quarterly).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

On-Going Consultation

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County’s property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$225 per hour
Principal	\$195 per hour
Associate	\$150 per hour
Programmer	\$175 per hour
Senior Analyst	\$100 per hour
Analyst	\$ 65 per hour
Administrative	\$ 45 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by CONTRACTOR annually. On July 1st of each year CONTRACTOR shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year. In addition, expenses for Optional Services shall be billed at 1.15 times actual incurred costs.

Identification and Correction of Errors

Fees for the identification and correction of errors are on a contingent basis, CONTRACTOR shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to CITY recovered or reallocated which are directly or indirectly the result of an audit,

June 3, 2021

analysis or consultation performed by CONTRACTOR (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). CONTRACTOR shall separate and support said reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. CITY shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to CONTRACTOR shall be made within thirty (30) days after CITY receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone
120 S State College Boulevard, Suite 200
Brea, California 92821
714.879.5000

**AMENDMENT NO. 2
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND
HDL COREN & CONE**

This **Amendment No. 2** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation (“City”) and **HdL Coren & Cone** (“Consultant”) dated June 30, 2019 (“Agreement,” Agreement No. 2019-057) is made on this 21st day of June, 2022.

SECTION 1. RECITALS

- A. This Agreement is for property tax management, information, and audit services; and
- B. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$36,700; and
- C. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$13,315 for continued services; and
- D. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2022; and
- E. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2023; and
- F. The Agreement currently provides in Exhibit A-1 entitled “Scope of Services” the complete and particular description of services, which includes Base Services for a fixed annual fee; and
- G. The parties desire to amend Exhibit A-1 of the Agreement to identify the new fixed annual fee for Base Services, attached as “Exhibit A-2”; and
- H. The City Council approved this Amendment No. 2, on this 21st day of June, 2022.

AMENDED TERMS

Now therefore City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$13,315 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$50,015 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis:

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-2", for a fixed annual fee of \$13,315 per fiscal year (invoiced quarterly).

Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provided City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (b) **Payment.** Consultant shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional twelve months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2023, unless the term of this Agreement is extended, or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A-1 “Scope of Services” with Exhibit A-2 “Scope of Services” attached hereto and incorporated herein.

- 4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect


In concurrence and witness whereof, this Amendment No. 2 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA


CONSULTANT


DocuSigned by:

 Michelle Greene, City Manager

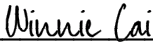
DocuSigned by:

 Paula Cone, President

ATTEST:

DocuSigned by:

 Deborah Lopez, City Clerk

DocuSigned by:

 Nichole Cone-Morishita, CFO

APPROVED AS TO FORM:
MEGAN GARIBALDI, CITY ATTORNEY

DocuSigned by:

 Winnie Cai, Assistant City Attorney



PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES

SCOPE OF SERVICES

Services provided include property tax management service, secured and unsecured parcel audits, assessment district processing, budget projections, Successor Agency support, and bond fiscal analysis.

Reports and Management Analyses (1)

The company will provide the following reports. Reports are also available from prior years if required.

- A five-year history of the values within the city, successor agency and custom (city defined) geographic area;
- A listing of the largest value changes, positive and negative between tax years;
- A listing of the major property owners, including the assessed value of their property and property use code designation;
- A listing of the major property tax payers, including an estimate of the property taxes;
- A listing of property tax transfers which occurred since the lien date ordered by month;
- A multiple year comparison of growth by use code designation over a 10-year period;
- Calculate an estimate of property tax revenue anticipated to be received for the fiscal year based upon the initial information provided by the County and subject to modification. This report is interactive for tax modeling. This estimate shall not be used to secure the indebtedness of the City.
- Property sales information, and Proposition 8 exposure and recapturing potential
- Budget forecasting model for 1 and 5-year projections for General Fund, Successor Agency and VLF In Lieu Revenues.

(1) Reports are based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

Successor Agency Services

Successor Agency Services including but not limited to:

- Tax increment projections by project area and for the Successor Agency
- Cash flows for the Successor Agency as requested
- Assistance with Redevelopment Obligation Payment Schedules as requested (additional charges may be required)
- Estimates of property tax revenues to be received by the City as requested
- Monitor the County distribution of tax-sharing revenues to the City and to taxing entities of the former redevelopment agency
- Coordinate as necessary with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency

Monthly/Quarterly Reports and System Updates

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

Web-Based Software

- The HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

Fee for Services

CONTRACTOR shall provide the Base Services described above, for a fixed annual fee of \$13,315 (invoiced quarterly).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

On-Going Consultation

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$250 per hour	Senior Analyst	\$125 per hour
Principal	\$225 per hour	Analyst	\$ 90 per hour
Programmer	\$200 per hour	Administrative	\$ 70 per hour
Associate	\$175 per hour		

Hourly rates are exclusive of expenses and are subject to adjustment by CONTRACTOR annually. On July 1st of each year CONTRACTOR shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year.

Identification and Correction of Errors

Fees for the identification and correction of errors are on a contingent basis, CONTRACTOR shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to CITY recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by CONTRACTOR (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). CONTRACTOR shall separate and support said reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. CITY shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to CONTRACTOR shall be made within thirty (30) days after CITY receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone
120 S State College Boulevard, Suite 200
Brea, California 92821
714.879.5000

**AMENDMENT NO. 3
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND
HDL COREN & CONE**

This **Amendment No. 3** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **HdL Coren & Cone** ("Consultant") dated June 30, 2019 ("Agreement," Agreement No. 2019-057) is made on this 20th day of June, 2023.

SECTION A. RECITALS

1. This Agreement is for property tax management, information and audit services; and
2. This Agreement has been amended to provide additional compensation for continued tasks and to extend the termination of the agreement (Amendment No. 1 and 2); and
3. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$50,015; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$30,000 for continued tasks; and
5. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2023; and
6. The parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2025; and
7. The Agreement currently provides in Exhibit A-2 entitled "Scope of Services" the complete and particular description of services, which includes Base Services for a fixed annual fee; and
8. The parties desire to amend Exhibit A-2 of the Agreement to identify the new fixed annual fee for Base Services, attached as Exhibit "A-3"; and
9. The City Council approved this Amendment No. 3, on this 20th day of June, 2023.

SECTION B. AMENDED TERMS

Now therefore City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

- 1. Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$30,000 and to read in its entirety:

- (a) Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$80,015 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-3", for a fixed annual fee of \$14,030 per fiscal year (invoiced quarterly).

Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provide City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (b) Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently that on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

- 2. Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional 2 years to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2025, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and

City of Goleta

Amendment No. 3 to Agreement No. 2019-057

Page 2 of 3

(ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A-2 "Scope of Services" with **Exhibit A-3 "Scope of Services"** attached hereto and incorporated herein.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

In concurrence and witness whereof, this Amendment No. 3 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

DocuSigned by:
Robert Nisbet
Robert Nisbet, City Manager

CONSULTANT

DocuSigned by:
Paula Cone
Paula Cone, President

ATTEST:

DocuSigned by:
Deborah Lopez
Deborah Lopez, City Clerk

DocuSigned by:
Nichole Cone-Morishita
Nichole Cone-Morishita, CFO

APPROVED AS TO FORM:
MEGAN GARIBALDI, CITY ATTORNEY

DocuSigned by:
Scott Shapses
Scott Shapses, Deputy City Attorney

June 5, 2023
City of Goleta



PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES

SCOPE OF SERVICES

Services provided include property tax management service, secured and unsecured parcel audits, budget projections, Successor Agency support, and bond fiscal analysis.

Reports and Management Analyses ⁽¹⁾

HdL Coren & Cone (HdLCC) will provide the following reports. Reports are also available from prior years if required.

- A five-year history of the values within the City, and custom (city defined) geographic areas;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners for the City including the combined assessed values of their property and property use code designation;
- A listing and summary of property transfers which occurred since the lien date ordered by month;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;
- A comparison of property within the City by county use-code designation;
- A multiple year comparison of growth by use code designation over a 5-year period;
- A listing by parcel of new construction activity to identify non-residential parcels with new construction activity and to provide reports for use in the City's preparation of Proposition 4 and 111 State Appropriation Limit calculations;
- A listing of absentee owner parcels;

(1) Reports are based upon property tax information obtained from your county and supplemented by additional information from third parties. Some reports are dependent upon the availability of county data in electronic format.

- Calculate an estimate of property tax revenue anticipated to be received for the current fiscal year by the City based upon the initial information provided by the County and subject to modification. This estimate shall not be used to secure the indebtedness of the City.
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
- Tracking of Proposition 8 reductions and restorations
- Median sale price data for current year and prior years for comparison
- One and five-year budget projections for the city general fund and special districts. This report is interactive for tax modeling.
- Newsletter summary for public and elected distribution.

Successor Agency Services

Successor Agency Services including but not limited to:

- Annual tax increment projections and, as requested, cash flow analysis for the Successor Agency by Project Area
- Review of Redevelopment Obligation Payment Schedules (ROPS) as requested.
- Provide property tax information to the Oversight Board at the direction of the Successor Agency
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- Advice and consultation on the City/Successor Agency's preparation of required reports, such as revenue projections; review of Recognized Obligation Payment Schedules (ROPS), submittals to the Oversight Board and/or County or State agencies, and new or revised legislative requirements
- Analysis of legislative and judicial matters impacting Redevelopment Property Tax Trust Fund (RPTTF) revenues to the Successor Agency and to the City.

Monthly/Quarterly Reports and System Updates

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

Web-Based Software

- HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

Fee for Services

HdLCC shall provide the Base Services described above, for a fixed annual fee of \$14,030 (invoiced quarterly).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

On-Going Consultation

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include, but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County’s property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$250 per hour
Principal	\$225 per hour
Programmer	\$200 per hour
Associate	\$175 per hour
Senior Analyst	\$125 per hour
Analyst	\$ 90 per hour
Administrative	\$ 70 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by HdLCC annually. On July 1st of each year HdLCC shall provide the City with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year.

Identification and Correction of Errors

Fees for the identification and correction of errors are on a contingent basis, HdLCC shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to the City recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by HdLCC (including but not limited to base year value audits;

administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). HdLCC shall separate and support said reallocation and provide the City with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. The City shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to HdLCC shall be made within thirty (30) days after the City receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone
120 S State College Boulevard, Suite 200
Brea, California 92821
714.879.5000

**AMENDMENT NO. 4
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND HDL COREN & CONE**

This **Amendment No. 4** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **HDL Coren & Cone** ("Consultant") dated July 17, 2019 ("Agreement," Agreement No. 2019-057) is made on this 15th day of July, 2025.

SECTION A. RECITALS

1. This Agreement is for the property tax management, information and audit services; and
2. This Agreement has been amended to provide additional compensation for continued tasks, update the fixed annual fee, and extend the termination date of the agreement (Amendment No. 1, 2, and 3); and
3. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$80,015; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$14,945 for continued tasks; and
5. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2025; and
6. The parties desire to retroactively amend this Agreement so that this Amendment is effective as of June 30, 2025, and the term of the Agreement extends to June 30, 2026; and
7. The Agreement currently provides in Exhibit A-3 entitled "Scope of Services" the complete and particular description of services; and
8. The parties desire to amend Exhibit A-3 of the Agreement to identify the new fixed annual fee for Base Services, attached as Exhibit "A-4"; and
9. The City Council approved this Amendment No. 4, on this 15th day of July, 2025.

SECTION B. AMENDED TERMS

Now therefore City and Consultant retroactively agree that the Agreement be, and hereby is, amended as of June 30, 2025 as follows:

City of Goleta
Amendment No. 4 to Agreement No. 2019-057
Page 1 of 8

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$14,945 and to read in its entirety:

Maximum and Rate. The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$94,960 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following bases.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "B", for a fixed annual fee of \$14,945 per fiscal year (invoiced quarterly). Consultant shall be paid 25 percent of misallocated revenue identified in the audit. Consultant shall separate and support tax reallocation and provide City with an itemized invoice showing all amounts due as a result of revenue recovery and reallocation. City shall pay audit fees after Consultant's submittal of evidence that corrections have been made by the appropriate agency. Payment to the Consultant shall be made after City receives its first remittance advice during the fiscal year for which the correction applies.

- (a) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to City's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after City's approval of the invoice.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2026, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A-3 “Scope of Services” with Exhibit A-4 “Scope of Services” attached hereto and incorporated herein.

- 4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

In concurrence and witness whereof, this Amendment No. 4 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

Signed by:


 Robert Nisbet, City Manager

CONSULTANT

DocuSigned by:


 Paula Cone, President

ATTEST:

DocuSigned by:


 Deborah Lopez, City Clerk

Signed by:


 Nichole Cone-Morishita, CFO

APPROVED AS TO FORM:
ISAAC ROSEN, CITY ATTORNEY

Signed by:


 Scott Shapses, Deputy City Attorney

Exhibit A-4



PROPERTY TAX MANAGEMENT, INFORMATION AND AUDIT SERVICES
SCOPE OF SERVICES

Services provided include property tax management service, secured and unsecured parcel audits, budget projections, and Successor Agency support.

Reports and Management Analyses ⁽¹⁾

HdL Coren & Cone (HdLCC) will provide the following reports. Reports are also available from prior years if required.

- A five-year history of the values within the City, and custom (city defined) geographic areas;
- A listing of the largest value changes, positive and negative between tax years;
- An annual parcel listing of properties with parcel number changes between tax years identifying parcel splits and combines;
- A listing of the major property owners for the City including the combined assessed values of their property and property use code designation;
- A listing and summary of property transfers which occurred since the lien date ordered by month;
- A listing of parcels that have not changed ownership since the enactment of Proposition 13;
- A comparison of property within the City by county use-code designation;
- A multiple year comparison of growth by use code designation over a 5-year period;

- A listing by parcel of new construction activity to identify non-residential parcels with new construction activity and to provide reports for use in the City's preparation of Proposition 4 and 111 State Appropriation Limit calculations;
- A listing of absentee owner parcels;
- Calculate an estimate of property tax revenue anticipated to be received for the current fiscal year by the City based upon the initial information provided by the County and subject to modification. This estimate shall not be used to secure the indebtedness of the City.
- Analyses based on geo areas designated by the City to include assessed valuations and square footage computations for use in economic analysis and community development planning.
- Tracking of Proposition 8 reductions and restorations
- Median sale price data for current year and prior years for comparison
- One and five-year budget projections for the city general fund and special districts. This report is interactive for tax modeling.
- Newsletter summary for public and elected distribution.

Successor Agency Services

Successor Agency Services including but not limited to:

- Annual tax increment projections and, as requested, cash flow analysis for the Successor Agency by Project Area
- Review of Redevelopment Obligation Payment Schedules (ROPS) as requested.
- Provide property tax information to the Oversight Board at the direction of the Successor Agency
- Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency

- Advice and consultation on the City/Successor Agency's preparation of required reports, such as revenue projections; review of Recognized Obligation Payment Schedules (ROPS), submittals to the Oversight Board and/or County or State agencies, and new or revised legislative requirements
- Analysis of legislative and judicial matters impacting Redevelopment Property Tax Trust Fund (RPTTF) revenues to the Successor Agency and to the City.

Monthly/Quarterly Reports and System Updates

- A listing of property tax appeals filed on properties in the City where data is available for purchase from the Clerk of the Board.
- A listing of property transfers that have occurred since the last report will be available through the software provided and updated on a monthly basis.

Web-Based Software

- HdLCC provides a web-based software application to clients as a user-friendly tool to access the City's property tax data. HdLCC provides updates to the data portion of the product on monthly basis to reflect changes in ownership, updated appeals filings, and deed recordings.
- As modifications and enhancements are made to the program, clients receive the enhanced version of the software at no additional cost. Training will be provided to city staff within the first two months after the execution of the agreement for property tax management and audit services and is available annually for new staff members or staff requiring a refresher course. If additional training sessions are required, the fees in the compensation section under hourly fees will be charged.

Identification and Correction of Errors

HdL Coren & Cone has the technology, methodology and trained staff to analyze all secured parcels within the City to identify costly errors resulting in the misallocation of property taxes.

The company audits the secured and unsecured property tax rolls to ensure that each is coded to the appropriate taxing entity. The company performs an analysis of the Assessor Rolls to identify all parcels on both the secured and unsecured tax rolls and verify that parcel assessed valuations and the resulting taxes are correctly allocated to the City. This analysis is accomplished through the use of specialized computer software, GIS maps, assessor maps, city maps, city records, other pertinent documents, and field investigations.

Fee for Services

HdLCC shall provide the Base Services described above for a fixed annual fee of \$14,945 (invoiced quarterly). The fee is based on the number of parcels in the City of Goleta (10,247 parcels).

The Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

On-Going Consultation

During the term of the contract, we serve as the resource staff to the County or agency on questions relating to property tax. This includes being "on-call" to assist with any property tax issues. On-going consultation would include but not be limited to inquiries resolved through use of the City data base. All requests for information based upon the County's property tax data sets are provided without additional costs. Special reports, additional research, or requests requiring additional computer programming may entail some additional costs. Attendance at City and/or Successor Agency meetings will be billed at our hourly rates.

Fees for Optional Services shall be billed at the following hourly rates:

Partner	\$250 per hour
Principal	\$225 per hour
Programmer	\$200 per hour

City of Goleta

Amendment No. 4 to Agreement No. 2019-057

Page 7 of 8

Associate	\$175 per hour
Senior Analyst	\$125 per hour
Analyst	\$ 90 per hour
Administrative	\$ 70 per hour

Hourly rates are exclusive of expenses and are subject to adjustment by HdLCC annually. On July 1st of each year HdLCC shall provide the City with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year.

Identification and Correction of Errors

Fees for the identification and correction of errors are on a contingent basis, HdLCC shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to the City recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by HdLCC (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). HdLCC shall separate and support said reallocation and provide the City with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. The City shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to HdLCC shall be made within thirty (30) days after the City receives its first remittance advice during the fiscal year for which the correction applies.

HdL Coren & Cone
120 S State College Boulevard, Suite 200
Brea, California 92821
714.879.5000

ATTACHMENT 5

Professional Services Agreement No. 2018-125 with Hinderliter, de Llamas and Associates and Amendments No. 1 through No. 4

Project: Cannabis Ordinances and Applications

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF GOLETA
AND
HINDERLITER, DE LLAMAS AND ASSOCIATES**

This AGREEMENT FOR PROFESSIONAL SERVICES (herein referred to as "AGREEMENT") is made and entered into this 7th day of January, 2019, by and between the **CITY OF GOLETA**, a municipal corporation (herein referred to as "CITY"), and **HINDERLITER, DE LLAMAS AND ASSOCIATES**, a California Corporation (herein referred to as "CONSULTANT").

WHEREAS, the CITY has a need for professional consulting services for the City's development of new cannabis ordinances and revision of existing cannabis ordinances separate from the City's development of a cannabis ordinance that will focus primarily on land use issues; and

WHEREAS, the CITY does not have the personnel able and/or available to perform the services required under this AGREEMENT, and therefore, the CITY desires to contract for professional services to accomplish this work; and

WHEREAS, CONSULTANT was recommended for award based on superior experience, familiarity with the needs of the CITY, and capacity to provide the services agreed to herein and was selected for award of this AGREEMENT by the Assistant City Attorney; and

WHEREAS, the City Manager is authorized by Goleta Municipal Code Section 3.05.240 to execute this AGREEMENT because the value of the AGREEMENT is less than \$30,000.

CITY and CONSULTANT agree as follows:

1. RETENTION AS CONSULTANT

CITY hereby retains CONSULTANT, and CONSULTANT hereby accepts such engagement, to perform the services described in Section 2. CONSULTANT warrants it has the qualifications, experience, and facilities to properly and timely perform said services.

2. DESCRIPTION OF SERVICES

The services to be performed by CONSULTANT are as follows:

Professional consulting services in conjunction with the development and revision of cannabis ordinances and implementation program. Services

shall generally include assistance with the preparation of cannabis ordinances, licensing review, implementation program, and taxation auditing, as more particularly set forth in the Scope of Work, attached as Exhibit "A," and incorporated herein. CONSULTANT shall deliver to CITY the deliverables defined in Exhibit "A."

3. COMPENSATION AND PAYMENT

(a) Maximum and Rate. The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$30,000 (herein "not to exceed amount"), and shall be earned as the work progresses on the following basis:

~~Hourly at the hourly rates of CONSULTANT and service charges as set forth in Exhibit "B," attached and incorporated herein. The rates and service charges set forth in that exhibit shall be binding upon CONSULTANT until December 31, 2019, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.~~

(b) Payment. CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

4. EXTRA SERVICES

CITY shall pay CONSULTANT for those CITY authorized extra services, not reasonably included within the services described in Section 2, as mutually agreed to writing in advance of the incurrence of extra services by CONSULTANT. Unless CITY and CONSULTANT have agreed in writing before the performance of extra services, no liability and no right to claim compensation for such extra services or expenses shall exist. The applicable hourly rates for extra services shall be at the hourly rates set forth in the compensation exhibit. Any compensation for extra services shall be part of the total compensation and shall not increase the not to exceed amount identified in Section 3.

5. CITY PROJECT MANAGER AND SERVICES BY CITY

The services to be performed by CONSULTANT shall be accomplished under the general direction of, and coordinate with, CITY's "Project Manager", as that staff person is designated by CITY from time to time, and who presently is Vyto Adomaitis,

Neighborhood Services/Public Safety Director. Project Manager shall have the authority to act on behalf of the CITY in administering this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

CITY shall perform the services defined in Exhibit "A"

6. TERM, PROGRESS AND COMPLETION

The term of this AGREEMENT is from the date first written above to December 30, 2019, unless term of this AGREEMENT is extended or the AGREEMENT is terminated as provided for herein.

~~CONSULTANT shall not commence work on the services to be performed until (i)~~ CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager.

7. OWNERSHIP OF DOCUMENTS

All drawings, designs, data, photographs, reports and other documentation (other than CONSULTANT's drafts, notes and internal memorandum), including duplication of same prepared by CONSULTANT in the performance of these services, are the property of CITY. CITY shall be entitled to immediate possession of the same upon completion of the work under this AGREEMENT, or at any earlier or later time when requested by CITY. CITY agrees to hold CONSULTANT harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this AGREEMENT, unless written authorization of CONSULTANT is first obtained.

8. PERSONAL SERVICES/NO ASSIGNMENT/SUBCONTRACTOR

This AGREEMENT is for professional services which are personal to CITY. David McPherson is deemed to be specially experienced and is a key member of CONSULTANT's firm, and shall be directly involved in the performance of this work. This key person shall communicate with, and periodically report to, CITY on the progress of the work. Should any such individual be removed from assisting in this contracted work for any reason, CITY may terminate this AGREEMENT. This AGREEMENT may not be assigned or subcontracted without the City Manager's prior written consent.

9. HOLD HARMLESS AND INDEMNITY

(a) Indemnification and Defense for Professional Service. To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless the CITY and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all claims, losses, liabilities, damages, costs and expenses, including

attorney's fees and costs, to the extent they arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT. CONSULTANT's duty to defend shall consist of reimbursement of defense costs incurred by CITY in direct proportion to the CONSULTANT's proportionate percentage of fault. CONSULTANT's percentage of fault shall be determined, as applicable, by a court of law, jury or arbitrator. In the event any loss, liability or damage is incurred by way of settlement or resolution without a court, jury or arbitrator having made a determination of the CONSULTANT's percentage of fault, the parties agree to mediation with a third party neutral to determine the CONSULTANT's proportionate percentage of fault for purposes of determining the amount of indemnity and defense cost reimbursement owed to the CITY.

(b) For All Other Liabilities. Notwithstanding the foregoing and without diminishing any rights of CITY, for any liability, claim, demand, allegation against CITY arising out of, related to, or pertaining to any act or omission of CONSULTANT, but which is not a design professional service, CONSULTANT shall defend, indemnify, and hold harmless CITY, its officials, employees, and agents ("Indemnified Parties") from and against any and all damages, costs, expenses (including reasonable attorney fees and expert witness fees), judgments, settlements, and/or arbitration awards, whether for personal or bodily injury, property damage, or economic injury, and arising out of, related to, any concurrent or contributory negligence on the part of the CITY, except for the sole or active negligence of, or willful misconduct of the CITY.

(c) No Waiver. CITY does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by CITY, or the deposit with CITY, of any insurance certificates or policies described in Section 10.

(d) Disclaimer. Both parties understand and agree that nothing in this Agreement constitutes advice by CONSULTANT to CITY to violate any existing law and, accordingly, this section does not obligate CONSULTANT to the extent that federal or state law may now, or subsequently, prohibit the actions recommended by CONSULTANT pursuant to this Agreement.

10. INSURANCE

CONSULTANT shall, at CONSULTANT's sole cost and expense, provide insurance as described herein. All insurance is to be placed with insurers authorized to do business in the State of California with an A.M. Best and Company rating of A- or better, Class VII or better, or as otherwise approved by CITY.

Insurance shall include the following (or broader) coverage:

- a) Insurance Services Office Commercial Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to 2004 and with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

- b) Insurance Services Office form number CA 00 01 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of \$1,000,000 per accident. If the Service Provider owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Service Provider's commercial general liability policy.
- c) Workers' Compensation insurance complying with California worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit of \$1,000,000 per accident or disease.
- d) Professional liability insurance that covers the services to be performed in connection with this agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate.

Liability insurance policies required to be provided by CONSULTANT hereunder shall contain or be endorsed to contain the following provisions:

- a) CITY, its employees, officials, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work performed or related to the contract. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10, with an edition date prior to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37, or its equivalent.
- b) General and automobile liability insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage will not be limited to CITY's vicarious liability.
- c) Professional liability insurance policies inception date, continuity date, or retroactive date must be before the effective date of this agreement. CONSULTANT agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
- d) Liability coverage shall be primary and non-contributing with any insurance maintained by CITY.
- e) Evidence of coverage (including the workers' compensation and employer's liability policies) shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after 30 days' prior written notice has been given to CITY. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.

- f) No liability insurance coverage provided to comply with this AGREEMENT shall prohibit CONSULTANT, or CONSULTANT's employees, or agents, from waiving the right of recovery prior to a loss. CONSULTANT waives its right of recovery against CITY.
- g) CONSULTANT agrees to deposit with CITY within fifteen days of Notice to Proceed of the Contract certificates of insurance and required endorsements.
- h) There shall be no recourse against CITY for payment of premiums or other amounts with respect to the insurance required to be provided by CONSULTANT hereunder. Any failure, actual or alleged, on the part of CITY to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of CITY. CITY has no additional obligations by virtue of requiring the insurance set forth herein. In the event any policy of insurance required under this AGREEMENT does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will withhold amounts sufficient to pay premium from CONSULTANT payments.
- i) CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT arising out of the work performed under this AGREEMENT. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

11. RELATIONSHIP OF CONSULTANT TO CITY

The relationship of the CONSULTANT to CITY shall be that of an independent contractor and that in no event shall CONSULTANT be considered an officer, agent, servant or employee of CITY. CONSULTANT shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work.

12. CORRECTIONS

In addition to the above indemnification obligations, CONSULTANT shall correct, at its expense, all errors in the work that may be disclosed during CITY's review of CONSULTANT's report or plans. Should CONSULTANT fail to make such correction in a reasonably timely manner, such correction shall be made by CITY, and the cost thereof shall be charged to CONSULTANT or withheld from any funds due to CONSULTANT hereunder.

13. TERMINATION BY CITY

CITY, by notifying CONSULTANT in writing, may upon 10 calendar days notice, terminate without cause any portion or all of the services agreed to be performed under this AGREEMENT. If termination is for cause, no notice period need be given. In the event of termination, CONSULTANT shall have the right and obligation to immediately assemble work in progress for the purpose of closing out the job. All compensation for actual work performed and charges outstanding at the time of termination shall be payable by CITY to CONSULTANT within 30 days following submission of a final statement by CONSULTANT unless termination is for cause. In such event, CONSULTANT shall be compensated only to the extent required by law.

14. ACCEPTANCE OF FINAL PAYMENT CONSTITUTES RELEASE

The acceptance by CONSULTANT of the final payment made under this AGREEMENT shall operate as and be a release of CITY from all claims and liabilities for compensation to CONSULTANT for anything done, furnished, or relating to CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of CITY's check or the failure to make a written extra compensation claim within 10 calendar days of the receipt of that check. However, approval or payment by CITY shall not constitute, nor be deemed, a release of the responsibility and liability of CONSULTANT, its employees, subcontractors, agents and CONSULTANTS for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by CITY for any defect or error in the work prepared by CONSULTANT, its employees, subcontractors, agents and consultants.

15. AUDIT OF RECORDS

At any time during normal business hours and as often as it may deem necessary, CONSULTANT shall make available to a representative of CITY for examination of all its records with respect to all matters covered by this AGREEMENT and will permit CITY to audit, examine and/or reproduce such records. CONSULTANT will retain such financial records, time sheets, work progress reports, invoices, bills and project records for at least two years after termination or final payment under this AGREEMENT.

16. WAIVER; REMEDIES CUMULATIVE

Failure by a party to insist upon the strict performance of any of the provisions of this AGREEMENT by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover

any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this AGREEMENT, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

17. CONFLICT OF INTEREST

CONSULTANT is unaware of any CITY employee or official that has a financial interest in CONSULTANT'S business. During the term of this AGREEMENT and/or as a result of being awarded this AGREEMENT, CONSULTANT shall not offer, encourage or accept any financial interest in CONSULTANT'S business by any CITY employee or official.

18. CONSTRUCTION OF LANGUAGE OF AGREEMENT

The provisions of this AGREEMENT shall be construed as a whole according to its common meaning of purpose of providing a public benefit and not strictly for or against any party. It shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

19. MITIGATION OF DAMAGES

In all situations arising out of this AGREEMENT, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

20. GOVERNING LAW

This AGREEMENT, and the rights and obligations of the parties, shall be governed and interpreted in accordance with the laws of the State of California. Should litigation occur, venue shall be in Superior Court of Santa Barbara County.

21. TAXPAYER IDENTIFICATION NUMBER

CONSULTANT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. 12-87), as issued by the Internal Revenue Service.

22. NON-APPROPRIATION OF FUNDS

Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of CITY funds. In the event CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the current fiscal year, this AGREEMENT shall cover only those costs incurred up to the conclusion of the current fiscal year.

23. MODIFICATION OF AGREEMENT

The tasks described in this AGREEMENT and all other terms of this AGREEMENT may be modified only upon mutual written consent of CITY and CONSULTANT.

24. USE OF THE TERM "CITY"

Reference to "CITY" in this AGREEMENT includes City Manager or any authorized representative acting on behalf of CITY.

25. PERMITS AND LICENSES

CONSULTANT, at its sole expense, shall obtain and maintain during the term of this AGREEMENT, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this AGREEMENT.

26. CAPTIONS

The captions or headings in this AGREEMENT are for convenience only and in no other way define, limit or describe the scope or intent of any provision or section of the AGREEMENT.

27. AUTHORIZATION

Each party has expressly authorized the execution of this AGREEMENT on its behalf and bind said party and its respective administrators, officers, directors, shareholders, divisions, subsidiaries, agents, employees, successors, assigns, principals, partners, joint venturers, insurance carriers and any others who may claim through it to this AGREEMENT.

28. ENTIRE AGREEMENT BETWEEN PARTIES

Except for CONSULTANT'S proposals and submitted representations for obtaining this AGREEMENT, this AGREEMENT supersedes any other agreements, either oral or in writing, between the parties hereto with respect to the rendering of services, and contains all of the covenants and agreements between the parties with respect to said services.

29. PARTIAL INVALIDITY

If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

30. NOTICES

Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY: Attention: Michelle Greene, City Manager
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117


TO CONSULTANT: Attention: Andrew Nickerson, President
Hinderliter, de Llamas and Associates
120 S State College Blvd., Suite 200
Brea, CA 92821
(714) 879-5000

31. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES

This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

In concurrence and witness whereof, this AGREEMENT has been executed by the parties effective on the date and year first above written.

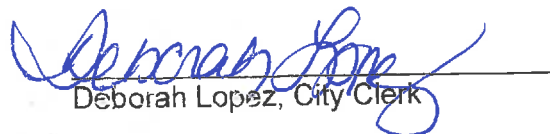
CITY OF GOLETA


Michelle Greene, City Manager

CONSULTANT



Andrew Nickerson, President

ATTEST


Deborah Lopez, City Clerk


Jeffrey Schmehr, Chief Financial Officer

APPROVED AS TO FORM


Winnie Cai, Assistant City Attorney

City of Goleta
City Attorney's Office and Hinderliter, de Llamas and Associates
Page 10 of 16

Exhibit A -Scope of Services

The regulation, compliance and taxation of cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA), Proposition 64, Adult Use Marijuana Act (AUMA), and SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. Amendments to this Scope of Services shall be made in writing and shall not constitute additional hours of work without proper compensation unless otherwise approved by the City and HdL.

The Scope of Services to be provided by HdL shall include:

- Kick-off conference call with City Staff;
- Provide subject matter expertise and technical support on cannabis local and state regulatory issues;
- Conduct three (3) Cannabis Policy Presentations to City Council and staff to provide guidance related to the various types of cannabis activities, policy issues or public safety concerns in order for staff to make informative policy decisions for the implementation of a Cannabis Management Program.
- Provide City staff with technical and policy expertise related to the operations and revenues associated with the understanding of the Cannabis Industry to ensure compliance with the Medical Cannabis and Safety Act (MCRSA), Adult Use Marijuana Act (AUMA), Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), and all applicable local ordinances;
- Review City's Cannabis Business License Applications as more particularly described in Objective 3.

Objective 1: Provide Subject Matter Expertise & Technical Support

Subject matter expertise and technical support will begin upon the execution of a contract with the Consultant which will include the following:

- Consultant shall work with City staff on issues related to cannabis regulatory and tax policies;
- Ensure proposed city ordinance complies with all state laws and conforms to the best practices to regulate the cannabis businesses in the City;
- Monitor MAUCRSA and state regulation's policy development and provide feedback to City staff to ensure that the City follows any changes which may

impact the development of the City's strategy to regulate and tax businesses which will be permitted in the City;

- Participate in conference calls and respond to staff inquiries via phone and email, review staff reports to City Council and assist with responses to inquiries from the public to staff;
- Committee/Council Meetings; HdL will provide staff, stakeholders and City Council with technical support at City Committee/Council meetings at the request of the City Administration.

Objective 2: Cannabis Policy Outreach and Education

HdL is recognized throughout the state as the leader in providing public outreach, study sessions and stakeholder meetings for policy makers as well as internal and external stakeholders related to cannabis policy and regulatory issues. The firm will present cannabis policy presentations to the City Council and stakeholders as requested in the scope of service.

Our staff understands the importance of community outreach to ensure a successful Cannabis Management Program is implemented in the City. HdL's Cannabis Policy Advisor has over 16 years of experience in public policy, community engagement and advocacy from both the public and private sector. Our Cannabis Compliance Director has 8 years of experience developing one of the first cannabis regulatory programs in the country for a local municipality. Our Cannabis Compliance Manager has over 6 years of experience developing state regulatory programs and was one of the original regulators to develop marijuana policies for the state of Colorado. HdL also employs a Senior Policy Advisor who has statewide policy training and expertise in developing community-based outreach programs.

In the last 3 years, HdL has conducted over 85 workshops for professional organizations and local governments. Our public involvement process brings together all segments and geographies of the community including: elected officials, public agency staff, law enforcement, industry stakeholders, community groups and cannabis users. Our team will conduct the necessary outreach programs specific to the City of Goleta including public outreach, study sessions with decision makers, stakeholder meetings and public hearings and provide expertise on city code amendments, and application process strategies, cost recovery fees, and tax policy in compliance with Proposition 218.

Objective 3: Conduct Compliance Inspections

HdL will conduct one (1) compliance inspection per business prior to each annual license renewal. HdL will work with the City of Goleta to develop a schedule to conduct the compliance inspections in order to consolidate the site visits to the City

to a minimum. Annual compliance inspections will include an on-site review of statutory and regulatory requirements.

Inspections will be designed to examine and determine compliance in areas related to the following:

- Business records
- Inventory tracking
- Access control
- Money handling
- Product handling standards
- Security/surveillance requirements
- Waste management
- Transportation documentation
- Occupational badges
- Other items as deemed necessary to ensure compliance with State and local laws as requested by the City

Compliance Inspection and Deliverables

It is the goal of HdL to provide the City with all the technical support and subject matter expertise throughout the year to ensure proper oversight and management of the Commercial Cannabis Businesses. HdL wishes to create “best practices” for the City and the permittee to make sure they are following State and local law. As part of this objective, the proposal incorporates outreach and education for the City Staff and the permittee.

EXHIBIT B – HOURLY RATES AND SERVICE CHARGES

HdL’s fee proposal is based on time, materials and travel expenses associated with the execution of the services. It is based on the current scope of services as outlined in Objectives 1 through 3 for a fee not to exceed \$29,700.

EMPLOYEE HOURLY RATES:

Current Employee (May be subject to change)	Employee Job Title	Hourly Rate
David McPherson	Cannabis Compliance Director	\$300
Matt Eaton	Cannabis Compliance Manager	\$300
Tim Cromartie	Senior Advisor	\$300
Kami Miller	Senior Advisor	\$300
Mark Lovelace	Senior Advisor w/ CEQA experience	\$300

SERVICE CHARGES:

Scope of Service Objectives	Estimated Cost of Labor/Budget
Objective 1 – Subject Matter Expertise and Technical Support	54 Hours/\$16,200
Objective 2 – Cannabis Policy Outreach & Education Preparation, Travel Cost and Presentations for Three Council Meetings	Flat Rate of \$2,000 Per Presentation
	Subtotal \$6,000
Objective 3 – Compliance Inspections and Reviews for a Minimum of Six Cannabis Business Operators	Flat Rate of \$1,250 Per Inspection
	Subtotal \$7,500
Total	\$29,700

Objective 1: Cost Assumptions – Subject Matter Expertise and Technical Support

Subject matter expertise and technical support will be provided, however should Consultant be required to attend meetings outside the scope of service, travel time will be billed at a flat rate of \$1,000 per day to attend the meetings. The City

will not be responsible for additional travel time should the Consultant decide to stay within the City additional days.

Objective 2: Cost Assumptions – Cannabis Policy Outreach & Education

Consultants anticipates preparing and presenting 3 presentations to City Council and City staff. Consultant’s travel cost is included in the pricing for this objective.

Objective 3: Cost Assumptions – Compliance Inspection Review

The City must make a reasonable and good faith effort to consolidate the scheduled inspections where ever possible to the bare minimum since there will be no additional travel cost associated with this objective.

Optional Services

Optional Service #1: Application Review

HdL staff has experience reviewing, scoring and preparing summary reports for over 1,300 cannabis land use applications. Should the City need assistance conducting application reviews, HdL can provide this service at the rate of \$2,500 per application.

Optional Service #2: Background Checks

HdL staff has prior law enforcement and cannabis regulatory experience and are trained to review background information on owners and employees of cannabis business. As a result, the Consultant provides background investigations to be utilized as a provisional background for agencies that need assistance in this process at a rate of \$300 per applicant (Owner), Manager or Supervisor and \$150 for line staff.

Optional Service #3: Regulatory Compliance Reviews and Financial Audit

The HdL Companies Cannabis Management Team combined has over 20 years of direct experience conducting approximately 11,000 cannabis compliance inspections, investigations and financial audits in Colorado, California and Nevada. HdL can provide annual compliance reviews and financial audits at the following rates per cannabis business permitted in the City.

Option A: Conduct one (1) financial audit annually for each permit at a rate of \$6,000.

Option B: Conduct one (1) compliance review and one (1) financial audit annually for each permit at a rate of \$7,250.

Option C: Conduct two (2) compliance reviews and one (1) financial audit annually for each permit at a rate of \$8,500.

Option D: Conduct three (3) compliance reviews and one (1) financial audit annually for each permit at a rate of \$9,750.

Option E: Conduct four (4) compliance reviews and one (1) financial audit annually for each permit at a rate of \$11,000.

Option F: Tax Analytical Remittance Report (TARR) Summary provided on a quarterly basis for each permit at an annual rate of \$2,500.

**AMENDMENT NO. 1
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND
HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 1** to a PROFESSIONAL SERVICES AGREEMENT by and between the **City of Goleta**, a municipal corporation ("City") and **HINDERLITER, DE LLAMAS AND ASSOCIATES**, a California Corporation ("Consultant") dated January 4th, 2019 ("Agreement," Agreement No. 2018-125) is made this 4th day of June, 2019.

RECITALS

WHEREAS, this Agreement is for professional cannabis consulting services; and

WHEREAS, the Agreement between City and Consultant currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$30,000; and

WHEREAS, the parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$124,000 for continued work; and

WHEREAS, the Agreement currently designates Vyto Adomaitis, Director of Neighborhood Services and Public Safety as Project Manager; and

WHEREAS, the City desires to change the Project Manager to Luke Rioux, Finance Director; and

WHEREAS, the Agreement between City and Consultant currently provides in Section 6 for the termination of the Agreement on December 30, 2019; and

WHEREAS, the parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2021, and

WHEREAS, the City Council approved this Amendment No. 1, on this 4th day of June, 2019.

WHEREAS, the parties desire to amend the Agreement to allow for execution of the Agreement and amendments by facsimile and electronic mail in order to expedite the finalization of the agreements; and

AMENDED TERMS

Now therefore City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Section 3 Subsection (a). COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$124,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$154,000 (herein "not-to-exceed amount") and shall be earned as the work progresses on the following basis:

Hourly at the hourly rates of CONSULTANT and serve charges as set forth in Exhibit "B," attached and incorporated herein. The rates and service charges set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2021, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

- (b) **Payment.** CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

2. **Section 5. CITY PROJECT MANAGER AND SERVICES BY CITY** is amended to designate Luke Rioux, Finance Director, as Project Manager and to read in its entirety:

The services to be performed by CONSULTANT shall be accomplished under the general director of, and coordinate with, CITY's "Project Manager", as that staff person who is designated by CITY from time to time, and who presently is Luke Rioux, Finance Director. Project Manager shall have the authority to act on behalf of the CITY in administering this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

3. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year and six (6) months to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2021, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

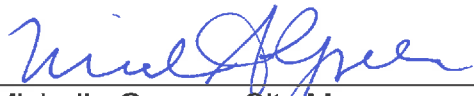
CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and

(ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

4. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect

In concurrence and witness whereof, this Amendment No. 1 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA



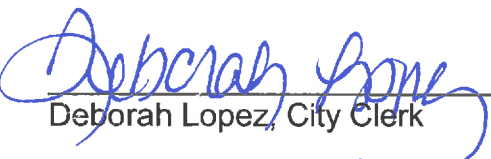
Michelle Greene, City Manager

CONSULTANT



Andrew Nickerson, President

ATTEST:



Deborah Lopez, City Clerk



Gary Lott, Chief Operation Officer

APPROVED AS TO FORM



Winnie Cai, Assistant City Attorney

**AMENDMENT NO. 2
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND
HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 2** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation (“City”) and **Hinderliter, De Llamas and Associates, a California Corporation** (“Consultant”) dated January 4th, 2019__ (“Agreement,” Agreement No. 2018-125) is made on this 15th day of June, 2021.

RECITALS

WHEREAS, this Agreement is for professional cannabis consulting services; and

WHEREAS, on June 4, 2019, the Agreement was amended to amend the amount and extend the term of the Agreement (“Amendment No.1”); and

WHEREAS, the Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$154,000; and

WHEREAS, the parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$170,000 for continued *cannabis consulting services*; and

WHEREAS, the Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2021; and

WHEREAS, the parties desire to amend the Agreement so as to extend the termination of the Agreement to June 30, 2023; and

WHEREAS, the City Council approved this Amendment No. 2, on this 15th day of June, 2021.

AMENDED TERMS

Now therefore City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$170,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT

SHALL NOT EXCEED the sum of \$324,000 (herein "not-to-exceed amount") and shall be earned as the work progresses.

- 2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional 24 months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2023, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

- 3. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect

In concurrence and witness whereof, this Amendment No. 2 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

CONSULTANT

DocuSigned by:
Michelle Greene
Michelle Greene, City Manager

DocuSigned by:
Andrew Nickerson
Andrew Nickerson, President

ATTEST:

DocuSigned by:
Deborah Lopez
Deborah Lopez, City Clerk

DocuSigned by:
Gary Lott
Gary Lott, Chief Operating Officer

APPROVED AS TO FORM:
MICHAEL JENKINS, CITY ATTORNEY

DocuSigned by:
Winnie Cai
Winnie Cai, Assistant City Attorney

EXHIBIT B: Hourly Rates and Service Charges

HdL shall provide all services under this agreement in accordance with the rates described below. Prices shall be honored for the first full year of the agreement, with successive years subject to an annual increase based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim region.

Optional Service #1: Cannabis Business Application Reviews

HdL's Cannabis Management Team can review and evaluate cannabis business applications to ensure they meet or exceed all state and local regulatory requirements.

Cannabis Business Application Reviews: \$2,500 each

Optional Service #2: Permit Renewal Application Reviews

HdL's Cannabis Management Team can review and evaluate cannabis business applications to ensure they meet or exceed all state and local regulatory requirements. Should the City need assistance conducting application reviews, HdL can provide this service at the rate of \$2,500 per application.

Permit Renewal Application Reviews: Hourly Rate

Optional Service #3: Premises Site Plan Review

HdL shall review the premises diagram of each cannabis business prior to issuance of building permits for site improvements to ensure all proposed cannabis-specific improvements are in compliance with all State and local requirements. The cost for this service includes an initial premises diagram review and report.

Premises Site Plan Review: Hourly Rate

Optional Service #4: Pre-License Site Visits

HdL shall conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy to verify compliance with all cannabis-specific State and local requirements. The cost for this service includes coordination and arrangements with the business and other agencies, site visit, post-inspection report, all travel costs and any follow up.

Pre-License Site Visits: \$1,275 each

Optional Service #5: Regulatory Compliance Reviews

HdL will conduct a series of up to four on-site compliance inspections annually, or as otherwise requested by the City, for each permitted cannabis business to determine compliance with State and/or local laws.

Regulatory Compliance Reviews: \$1,275 each

Optional Service #6: Cannabis Revenue Audits

HdL will conduct an annual revenue audit of each cannabis business to verify the accuracy of the revenue reported and remitted to the City during the review period and will recommend a tax assessment should the audit reveal any unreported revenue.

Cannabis Revenue Audits:

\$7,000 each

Optional Service #7: Background Checks

HdL provides an online portal for applicants to submit their application and authorization for background checks and all necessary documentation. Applicants provide their payment directly to HdL through the portal, so there is no cost to the City.

Background Checks	Owner, principal or manager	Employee or line staff
Initial background check	\$300	\$100
Annual renewal	\$100	\$75
Reissue lost or stolen badge	\$10	\$10

Hourly Rates for HdL Staff

The prices in this proposal are based on the hourly rates for HdL staff as shown in the chart below. Any additional services requested by the client that are not specifically described in this proposal would be billed at the standard rate for the assigned staff person.

HdL Staff Person	Title	Hourly Rate
David McPherson	Compliance Director	\$250
Matt Eaton	Deputy Compliance Director	\$250
Ajay Kolluri	Deputy Audit Director	\$250
Mark Lovelace	Senior Policy Advisor	\$250
Kami Miller	Senior Compliance Inspector	\$195
Michelle Shaw	Compliance Inspector	\$195
Elizabeth Eumurian	Senior Auditor	\$195
Odette Mikhail	Auditor	\$195
Tao Lu	Auditor	\$195
Valerie Carter	Auditor	\$195
Mark Brogan	Auditor	\$195
Teresa Schneider	Business Application Reviewer	\$195
Cheryl Lee	Business Application Reviewer	\$195
Jeff Burris	Business Application Reviewer	\$195
Kristi Lervold	Administrative Assistant	\$195
All rates current as of the date of this proposal		

**AMENDMENT NO. 3
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 3** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation (“City”) and **Hinderliter, De Llamas and Associates** (“Consultant”) dated January 4, 2019 (“Agreement,” Agreement No. 2018-125) is made on this 3 day of October 2023.

SECTION A. RECITALS

1. This Agreement is for the professional cannabis consulting services; and
2. This Agreement has been amended to provide for additional compensation for continued services, change the Project Manager, and extend the termination of the agreement (Amendment No. 1, and 2.); and
3. The Agreement currently provides in Exhibit A entitled “Scope of Services”; and
4. The parties desire to amend Exhibit A of the Agreement so as to update the description of services, attached as Exhibit “A-2”; and
5. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$324,000; and
6. The parties desire to amend the Agreement so as to provide additional compensation in the amount of \$60,000 for continued cannabis consulting services; and
7. The Agreement currently provides in Exhibit B entitled “Hourly Rates and Service Charges”; and
8. The parties desire to amend Exhibit B of the Agreement, so as to update the hourly rates and cost schedule, attached as Exhibit B-2 entitled “Cost Schedule”; and
9. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2023; and
10. The parties desire to retroactively amend this Agreement so that this Amendment is effective as of June 30, 2023 and the term of the Agreement extends to June 30, 2025; and
11. The City Council approved this Amendment No.3, on this 3rd day of October 2023.

SECTION B. AMENDED TERMS

Now therefore City and Consultant agree as follows that the Agreement be, and hereby is, amended as follows:

1. Subsection (a) of Section 5. **COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$60,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to SERVICE PROVIDER by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$384,000 (herein "not-to-exceed amount") and shall be earned as the work progresses.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-2".

Hourly at the hourly rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Schedule of Fees marked Exhibit B-2, attached, and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30 2025, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 10 (CITY is to be given 60 days' notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional 24 months to read in its entirety.

The term of this Agreement is from the date first written above to June 30, 2025, unless the term of this Agreement is extended, or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety: Exhibit A "Scope of Services" with Exhibit A-2 "Scope of Services" attached hereto and incorporated herein.
4. This Agreement is amended to delete and replace in its entirety: Exhibit B "Hourly Rates and Service Charges" with Exhibit B-2 "Cost Schedule" attached hereto and incorporated herein.
5. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.

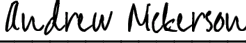
In concurrence and witness whereof, this Amendment No. 3 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

DocuSigned by:



 Robert Nisbet, City Manager

CONSULTANT


DocuSigned by:


 Andrew Nickerson, President/CEO

ATTEST:

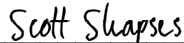
DocuSigned by:


 Deborah Lopez, City Clerk

DocuSigned by:


 Richard Park, CFO

APPROVED AS TO FORM:
 MEGAN GARIBALDI, CITY ATTORNEY

DocuSigned by:


 Scott Shapses, Deputy City Attorney



EXHIBIT A SCOPE OF SERVICES

Objective 1: Attendance, Support or Presentations at Meetings or Workshops

HdL shall provide attendance or presentations at meetings or workshops as needed or requested to help inform ongoing discussion of the City's cannabis ordinance and associated regulatory program. It is anticipated that this objective may include meetings with Council Members, public meetings of the City Council and/or Planning Commission, community workshops or other public meetings as may be requested. The use and scheduling of these meetings would be determined in consultation with City staff. This objective assumes that all meeting attendance would be virtual. Physical attendance would incur an additional travel charge.

Objective 2: Review Permit Renewal Applications

HdL shall review and evaluate all applications for annual cannabis business permit renewals. The City shall notify HdL upon receipt of an application for a cannabis business permit renewal and shall forward all renewal application materials. HdL's reviewers shall evaluate whether the application is complete and provides all necessary and requested information as required by the City. Reviews shall include narrative comments noting any deficiencies. If an application is deemed incomplete, the applicant shall be given an opportunity to submit supplemental information to address any deficiencies.

Each renewal application evaluation shall be completed within 60 days of the HdL receiving the application. Permit renewals are conditioned upon satisfactory completion of regulatory compliance inspections. If the inspection identifies any changes to the physical layout of the facility, then the permit renewal may also require a site plan evaluation (Objective 4).

Objective 3: Supplemental Background Checks

HdL shall provide background checks of all owners, principals, managers and employees of cannabis businesses. Our background checks supplement the State-required Live Scan fingerprint check, which will only disclose Department of Justice (DOJ) records regarding arrests or convictions. California's licensing agencies are only allowed to consider convictions for certain "red line" offenses such as serious or violent felonies, or certain felonies involving fraud, minors or drug trafficking, as automatic disqualifiers before granting or denying a license.

Our supplemental background checks expand upon the Live Scan information to identify other factors that local governments may wish to consider before granting discretionary business licenses or permits. These considerations may include other felony offenses, misdemeanor convictions, arrest records, civil judgements, restraining orders, the terrorist screening database, the national sex offender registry, delinquent child support payments, bankruptcies, employment and credit records, and more. Our search includes up to 5 variations on the subject's name and will alert if additional aliases are found which might warrant further investigation.

Our comprehensive background process checks the subject's name and social security number against over 200 million datasets nationwide, including all of the following¹:

- 7 yr. unlimited county courts and criminal records search
- Social Security, name and address comparison
- DMV search
- National Criminal Court report
- National Sex offender registry
- Federal criminal history
- State Department of Public Safety
- State Department of Corrections
- Terror watch list
- Bankruptcy, lien and judgments
- Delinquent child support payments
- Employment credit report
 - Financial summary
 - Personal information comparison
 - Address comparison
 - Employment comparison
 - Credit bureau report / credit history
 - Public records search

Any felony convictions that would be automatic disqualifiers pursuant to B&P 26057 (Violent and Serious Felony Convictions) must be confirmed through the Live Scan process. The degree to which other records may be used to inform the approval or renewal of a local business license or permit is subject to local ordinance requirements.

HdL offers separate rates for owners, principals or managers of cannabis businesses and for regular employees or line staff. We also offer a lower rate for annual renewals after the initial background check has been completed. Our rates include an HdL-designed employee identification badge with the city or county logo which meets all State regulatory requirements.

HdL provides an online portal for applicants to submit their application and authorization for background checks and all necessary documentation. Applicants provide their payment directly to HdL through the portal, so there is no cost to the City.

Background Checks	Owner, principal or manager	Employee or line staff
Initial background check	\$300	\$100
Annual renewal	\$100	\$75
Reissue lost or stolen badge	\$10	\$10

Prices valid as of the date of this proposal and subject to change without notice.

¹ Renewals and background checks for employees include a lesser level of investigation.

Objective 4: Site Plan Evaluations

HdL shall review the premises diagram for each commercial cannabis business as needed or requested by the City to assist with the review of any permit renewal applications. The review shall ensure that any changes or modifications to the physical layout of the facility are compliant with state law and local regulations and are properly reflected in the site diagram. The review shall specifically address all cannabis-related interior and exterior physical site security requirements including entrances and exits, product and customer flow, limited access areas, locks and alarm systems, surveillance camera locations, safes, signage, and other criteria.

HdL shall provide the City with a report identifying any variances from the premises diagram as previously approved and detailing any deficiencies or recommended changes that need to be addressed prior to permit renewal.

Objective 5: Pre-License Site Visits

HdL shall review the premises diagram and conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy. Site visits shall complement the final building inspection by verifying all interior and exterior physical site security requirements have been addressed in accordance with the application and all State and local requirements. Site visits shall examine all entrances and exits, limited access areas, locks and alarm systems, access control procedures, surveillance camera locations, safes and cash management procedures, signage, operational protocols and administrative privileges associated with the license type(s) being sought, and other requirements as necessary. The HdL inspector may be accompanied on the inspection by the City's building inspector or representatives from the Police Department and Fire Department, if desired by the City.

The cost for this service includes an initial premises diagram review and report, coordination and arrangements with the business and other agencies, site visit, post-inspection report and any follow-up. This cost assumes 10-days advance notice for scheduling and travel arrangements. Travel will be charged at HdL hourly rates.

Objective 6: Regulatory Compliance Inspections

HdL will conduct a series of up to four on-site compliance inspections annually, as requested by the City, for each permitted cannabis business to determine compliance with State and/or local laws. If HdL identifies any non-compliant activities, we will provide the City with a recommended appropriate action to address the deficiency and to ensure future compliance by the permittee. The cost for this service includes all of the following:

- Notifying permittee of pending inspection
- Full on-site inspection to ensure that each business complies with all State and local laws and regulatory protocols for all of the following:
 - Inventory management
 - Cash handling procedures
 - Access control

- Video surveillance
 - Alarm system maintenance and safety
 - Lock standards
 - Packaging and labeling
 - Waste management
 - Transportation documentation
 - Surveillance equipment maintenance
 - Occupational badges
 - Business records
 - Other items as necessary to ensure compliance with laws
- Preparation of a draft report detailing the findings of the inspection and providing recommendations for improvement where needed. If the inspection identifies any violations of law or other non-compliance issues, then HdL will prepare a notice to comply as an included part of the report.
 - All travel costs associated with the inspection, assuming a minimum of four inspections per day. If fewer than four inspections are requested, HdL will charge for travel based upon hourly rates.
 - All phone, email and other communications involved in preparing for, scheduling and coordinating the inspections and providing the report.

The cost for this service does not include any follow-up re-inspection or review of any supplemental documents provided to address or contest any findings of non-compliance, nor does it include any assistance with the appeal of any enforcement action by the City. Any costs associated with such additional services would be billed at HdL's hourly rate.

Objective 7: Cannabis Revenue Audits

HdL will conduct an annual revenue audit of each cannabis business to verify the accuracy of the revenue reported and remitted to the City during the review period and will recommend a tax assessment should the audit reveal any unreported revenue. As part of the audit process, HdL will conduct a risk-based review of each business using our proprietary Cannabis Analytical Testing System (CATS™). CATS was designed by HdL to address the unique challenges associated with auditing the cannabis industry. CATS allows audit staff to cross-analyze multiple business records to identify reporting variances, discrepancies and outliers to produce the most accurate measure of gross receipts on behalf of the City.

To initiate the process, the City shall provide HdL with a list of all licensed cannabis businesses subject to audit. HdL shall work with the City to determine the appropriate review period for each business and to develop a schedule for conducting all audits. As the time for each audit approaches, HdL will prepare a notification letter informing the licensee of the impending audit and providing a list of all records and documentation the business is required to provide, including remote access to the business's point-of-sale (POS) system where applicable. HdL recommends that the letter be sent by the City to communicate HdL's authority to conduct the audit and to encourage cooperation by the business.

The full annual audit shall include:

- Review Point-of-Sale (POS) system structure
- Review inventory system (subject to METRC data)
- Analyze and compare POS data with other available data sources, including:
 - City cannabis tax returns
 - State tax returns
 - Federal tax returns
 - METRC sales and inventory data
 - CDTFA data
 - Bank statements
 - ATM or other merchant statements
 - Sales receipts
 - Other financial documents as available
- Identify any variances or over/under reporting
- Calculate any taxes or fees due to the City
- Prepare and issue report

Where cannabis cultivation is taxed on a square-footage basis, the audit shall include one annual site inspection to verify compliance with maximum permitted canopy area. Square footage audits may also consider documented findings from inspections by the City, DCC or other agencies, where available.

A business that holds multiple state cannabis licenses shall be considered a single business for audit purposes, provided that all licenses are held and operated under the same name, ownership, location, and a single tax ID number. Any variation may indicate separate business entities requiring separate audits. Any such determination shall be made on a case-by-case basis in consultation with the City.

HdL will provide a draft audit report to the commercial cannabis business. The business will be given an appropriate opportunity to respond or appeal the report in accordance with the City ordinance. HdL will review any documentation provided by the business to dispute the findings and will adjust the tax/fee assessment as necessary prior to issuing the final report to the City.

The cost for this service assumes a standard 12-month review period. The cost for a longer term shall be increased per each additional 6-month period (2 fiscal quarters). Pricing available upon request. This cost also assumes reasonable cooperation from the licensee. Non-cooperation by the licensee may result in additional charges at HdL's hourly rate, or in termination of the audit and potential enforcement action by the City. Any such action or additional charges would be determined in consultation with the City.

The cost does not include assistance with administrative appeals or enforcement of audit findings, cannabis tax policy questions or guidance, or other services not directly associated with preparing the revenue audit report. Any costs associated with such additional services would be billed at HdL's hourly rate.

Objective 8: Technical Assistance and Subject Matter Expertise

HdL will provide additional hours of general consulting to be utilized on an as-needed basis at the City's request. Such assistance may include technical assistance, subject matter expertise, education, monitoring of changes to State laws and regulations, participation in conference calls, responding to staff inquiries via phone and email, reviewing staff reports to the City Council, assisting with responses to inquiries from the public, or other issues yet to be determined as requested by the City. All technical assistance shall be mutually agreed upon by both parties prior to performing services.

Objective 9: Quality Assurance Application Reviews

HdL staff will conduct an initial screening of all applications for completeness based upon an objective checklist of required documentation. This initial screening shall allow for some limited discretion in determining whether submitted documents are substantively complete but shall not otherwise consider the quality of the submissions. Applications deemed incomplete will be disqualified and those applicants will not be allowed to submit any supplemental information.

Applications which have been deemed complete will move forward for a full review, including quality assurance scoring. Applicants must provide detailed information on how they plan to meet the required criteria. An applicant's point score shall be based on their demonstrated ability to meet or exceed minimum requirements in each category. Scoring shall be in conformance with the criteria established by the City.

Reviews shall include narrative comments that identify any weaknesses, deficiencies or areas of concern for each application. Reviews shall be adequately detailed to inform the subsequent selection process but shall not contain any recommendations for approval or denial, other than a numerical score.

Proposed actions described in the applications shall be considered binding conditions of any resulting permit. Failure to meet or comply with any such requirements after a permit has been granted may subject the applicant to penalties and/or revocation proceedings.

This objective assumes a non-competitive quality assurance process where applications are reviewed only to ensure that they have adequately addressed all required criteria. This objective is offered here as an optional service. Engagement by HdL in any application reviews would require mutual agreement on the process in advance.

EXHIBIT B COST SCHEDULE

Once under contract, prices shall be honored for the first full year, with successive years subject to an annual increase based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim region.

Scope of Service Objectives	Estimated Cost
Objective 1: Attendance or Presentations at Meetings Includes planning and preparation of a presentation	Hourly Rate
Objective 2: Review Permit Renewal Applications	Hourly Rate
Objective 3: Supplemental Background Checks Cost paid directly to HdL by applicant	No Charge to City
Objective 4: Site Plan Evaluations	\$1,000 per evaluation
Objective 5: Pre-license Site Visits	\$2,250
Objective 6: Regulatory Compliance Inspections One or more inspections per year as requested	\$2,250
Objective 7: Cannabis Revenue Audits	\$10,000 per audit
Objective 8: Technical Assistance and Subject Matter Expertise	Hourly Rate
Objective 9: Quality Assurance Application Reviews (Optional) Requires mutual agreement on process in advance	\$5,000 per application
Travel (as needed for pre-license site visits and/or meeting attendance)	Hourly Rate*
ESTIMATE OF TOTAL COSTS (assumes 2-year term)	
Site Plan Evaluations (assumes 5)	\$5,000
Pre-License Site Visits (assumes 6)	\$13,500
Regulatory Compliance Inspections (assumes 24)	\$54,000
Cannabis Revenue Audits (assumes 10)	\$100,000
Subject Matter Expertise (assumes 80 hours @ \$300/hr)	\$24,000
TOTAL NOT TO EXCEED	\$196,500
*Or at a flat rate to be negotiated with the City.	

This proposal does not include any additional services that are not specifically enumerated herein. The proposal assumes HdL will not be asked to review any supplemental information provided by applicants, and that HdL will not be a part of any enforcement action, appeal, arbitration, or civil litigation resulting from the findings of an inspection and/or audit. Any such additional reports, documentation or assistance that may be required would be in addition to the costs shown in the table above and shall be billed at HdL's hourly rate. This includes assistance with administrative hearings and/or civil litigation involving cannabis applicants or licensees.

Hourly Rates for HdL Staff

The prices in this proposal are based on the hourly rates for HdL staff as shown in the chart below. Any additional services requested by the client that are not specifically described in this proposal would be billed at the standard rate for the assigned staff person.

HdL Staff Person	Title	Hourly Rate
Ajay Kolluri	Director	\$300
Matt Eaton	Deputy Director of Compliance	\$300
Mark Lovelace	Senior Policy Advisor	\$300
Elizabeth Eumurian	Audit Manager	\$300
David Ross	Senior Compliance Inspector	\$250
Michelle Shaw	Compliance Inspector	\$235
Valerie Carter	Senior Auditor	\$250
Tao Lu	Auditor	\$235
Pamela Davis	Auditor	\$235
Eric Magana	Auditor	\$235
Tonson Chieng	Audit Analyst	\$225
Dante Chegini	Audit Analyst	\$225
Jennifer Erwin	Audit Analyst	\$225
Kristi Lervold	Administrative Assistant	\$150
All rates current as of the date of this proposal		

**AMENDMENT NO. 4
TO A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF GOLETA
AND HINDERLITER, DE LLAMAS AND ASSOCIATES**

This **Amendment No. 4** to the Professional Services Agreement by and between the **City of Goleta**, a municipal corporation ("City") and **Hinderliter, De Llamas and Associates** ("Consultant") dated January 4, 2019 ("Agreement," Agreement No. 2018-125) is made on this 15th day of July, 2025.

SECTION A. RECITALS

1. This Agreement is for the professional cannabis consulting services; and
2. This Agreement has been amended to provide for additional compensation for continued services, update the scope of services and cost schedule, and extend the termination of the agreement (Amendment No. 1, 2, and 3); and
3. The Agreement currently provides in Section 3 Subsection (a) for the total compensation amount not to exceed \$384,000; and
4. The parties desire to amend the Agreement so as to provide for additional compensation in the amount of \$158,000 for continued tasks; and
5. The Agreement currently provides in Section 6 for the termination of the Agreement on June 30, 2025; and
6. The parties desire to retroactively amend this Agreement so that this Amendment is effective as of June 30, 2025, and the term of the Agreement extends to June 30, 2026; and
7. The Agreement currently provides in Exhibit A-2 entitled "Scope of Services"; and
8. The parties desire to amend Exhibit A-2 of the Agreement, so as to identify the new Scope of Services, attached as Exhibit "A-3"; and
9. The Agreement currently provides in Exhibit B-2 entitled "Cost Schedule"; and
10. The parties desire to amend Exhibit B-2 of the Agreement, so as to identify the new Cost Schedule, attached as Exhibit "B-3"; and
11. The City Council approved this Amendment No. 4, on this 15th day of July, 2025.

SECTION B. AMENDED TERMS

Now therefore City and Consultant retroactively agree that the Agreement be, and hereby is, amended as of June 30, 2025 as follows:

1. **Subsection (a) of Section 3. COMPENSATION AND PAYMENT** of the Agreement is amended to add an additional authorized amount of \$158,000 and to read in its entirety:

- (a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$542,000 (herein "not-to-exceed amount") and shall be earned as the work progresses.

Consultant shall provide the Base Services as described in the Scope of Services, attached as Exhibit "A-3".

Hourly at the hourly rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Cost Schedule marked Exhibit "B-3," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2026, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

2. **Section 6. TERM, PROGRESS AND COMPLETION** of the Agreement is amended to extend the term for an additional one (1) year to read in its entirety:

The term of this Agreement is from the date first written above to June 30, 2026, unless the term of this Agreement is extended or the Agreement is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager. All services shall be completed within the term of this Agreement following the notice to proceed.

3. This Agreement is amended to delete and replace in its entirety:

Exhibit A-2 "Scope of Services" with Exhibit A-3 "Scope of Services" attached hereto and incorporated herein.

4. This Agreement is amended to delete and replace in its entirety:

Exhibit B-2 "Cost Schedule" with Exhibit B-3 "Cost Schedule" attached hereto and incorporated herein.

- 5. Except as otherwise specifically provided herein, all other provisions of the Agreement shall remain in full force and effect.


In concurrence and witness whereof, this Amendment No. 4 has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

CONSULTANT

Signed by:


 Robert Nisbet, City Manager


Signed by:


 Andrew Nickerson, President/CEO

ATTEST:

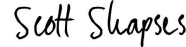
DocuSigned by:


 Deborah Lopez, City Clerk

DocuSigned by:


 Richard Park, CFO

APPROVED AS TO FORM:
ISAAC ROSEN, CITY ATTORNEY

Signed by:


 Scott Shapses, Deputy City Attorney



EXHIBIT A – 3 SCOPE OF SERVICES

Objective 1: Attendance, Support or Presentations at Meetings or Workshops

HdL shall provide attendance or presentations at meetings or workshops as needed or requested to help inform ongoing discussion of the City’s cannabis ordinance and associated regulatory program. It is anticipated that this objective may include meetings with Council Members, public meetings of the City Council and/or Planning Commission, community workshops or other public meetings as may be requested. The use and scheduling of these meetings would be determined in consultation with City staff. This objective assumes that all meeting attendance would be virtual. Physical attendance would incur an additional travel charge.

Objective 2: Review Permit Renewal Applications

HdL shall review and evaluate all applications for annual cannabis business permit renewals. The City shall notify HdL upon receipt of an application for a cannabis business permit renewal and shall forward all renewal application materials. HdL’s reviewers shall evaluate whether the application is complete and provides all necessary and requested information as required by the City. Reviews shall include narrative comments noting any deficiencies. If an application is deemed incomplete, the applicant shall be given an opportunity to submit supplemental information to address any deficiencies.

Each renewal application evaluation shall be completed within 60 days of the HdL receiving the application. Permit renewals are conditioned upon satisfactory completion of regulatory compliance inspections. If the inspection identifies any changes to the physical layout of the facility, then the permit renewal may also require a site plan evaluation (Objective 4).

Objective 3: Supplemental Background Checks

HdL shall provide background checks of all owners, principals, managers and employees of cannabis businesses. Our background checks supplement the State-required Live Scan fingerprint check, which will only disclose Department of Justice (DOJ) records regarding arrests or convictions. California’s licensing agencies are only allowed to consider convictions for certain “red line” offenses such as serious or violent felonies, or certain felonies involving fraud, minors or drug trafficking, as automatic disqualifiers before granting or denying a license.

Our supplemental background checks expand upon the Live Scan information to identify other factors that local governments may wish to consider before granting discretionary business licenses or permits. These considerations may include other felony offenses, misdemeanor convictions, arrest records, civil judgements, restraining orders, the terrorist screening database, the national sex offender registry, delinquent child support payments, bankruptcies, employment and credit records, and more. Our search includes

up to 5 variations on the subject’s nme and will alert if additional aliases are found which might warrant further investigation.

Our comprehensive background process checks the subject’s name and social security number against over 200 million datasets nationwide, including all of the following¹:

- 7 yr. unlimited county courts and criminal records search
- Social Security, name and address comparison
- DMV search
- National Criminal Court report
- National Sex offender registry
- Federal criminal history
- State Department of Public Safety
- State Department of Corrections
- Terror watch list
- Bankruptcy, lien and judgments
- Delinquent child support payments
- Employment credit report
 - Financial summary
 - Personal information comparison
 - Address comparison
 - Employment comparison
 - Credit bureau report / credit history
 - Public records search

Any felony convictions that would be automatic disqualifiers pursuant to B&P 26057 (Violent and Serious Felony Convictions) must be confirmed through the Live Scan process. The degree to which other records may be used to inform the approval or renewal of a local business license or permit is subject to local ordinance requirements. HdL offers separate rates for owners, principals or managers of cannabis businesses and for regular employees or line staff. We also offer a lower rate for annual renewals after the initial background check has been completed. Our rates include an HdL-designed employee identification badge with the city or county logo which meets all State regulatory requirements.

HdL provides an online portal for applicants to submit their application and authorization for background checks and all necessary documentation. Applicants provide their payment directly to HdL through the portal, so there is no cost to the City.

Background Checks	Owner, Principal or manager	Employee or line staff
Initial background check	\$300	\$125
Annual renewal	\$125	\$100
Reissue lost or stolen badge	\$15	\$15
Renewals and background checks for employees include a lesser level of investigation. Prices valid as of the date of this proposal and subject to change without notice.		

¹ Renewals and background checks for employees include a lesser level of investigation.

Objective 4: Site Plan Evaluations

HdL shall review the premises diagram for each commercial cannabis business as needed or requested by the City to assist with the review of any permit renewal applications. The review shall ensure that any changes or modifications to the physical layout of the facility are compliant with state law and local regulations and are properly reflected in the site diagram. The review shall specifically address all cannabis-related interior and exterior physical site security requirements including entrances and exits, product and customer flow, limited access areas, locks and alarm systems, surveillance camera locations, safes, signage, and other criteria.

HdL shall provide the City with a report identifying any variances from the premises diagram as previously approved and detailing any deficiencies or recommended changes that need to be addressed prior to permit renewal.

Objective 5: Pre-License Site Visits

HdL shall review the premises diagram and conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy. Site visits shall complement the final building inspection by verifying all interior and exterior physical site security requirements have been addressed in accordance with the application and all State and local requirements. Site visits shall examine all entrances and exits, limited access areas, locks and alarm systems, access control procedures, surveillance camera locations, safes and cash management procedures, signage, operational protocols and administrative privileges associated with the license type(s) being sought, and other requirements as necessary. The HdL inspector may be accompanied on the inspection by the City's building inspector or representatives from the Police Department and Fire Department, if desired by the City.

The cost for this service includes an initial premises diagram review and report, coordination and arrangements with the business and other agencies, site visit, post-inspection report and any follow-up. This cost assumes 10-days advance notice for scheduling and travel arrangements. Travel will be charged at HdL hourly rates.

Objective 6: Regulatory Compliance Inspections

HdL will conduct a series of up to four on-site compliance inspections annually, as requested by the City, for each permitted cannabis business to determine compliance with State and/or local laws. If HdL identifies any non-compliant activities, we will provide the City with a recommended appropriate action to address the deficiency and to ensure future compliance by the permittee. The cost for this service includes all of the following:

- Notifying permittee of pending inspection

- Full on-site inspection to ensure that each business complies with all State and local laws and regulatory protocols for all of the following:
 - Inventory management
 - Cash handling procedures
 - Access control
 - Video surveillance
 - Alarm system maintenance and safety
 - Lock standards
 - Packaging and labeling
 - Waste management
 - Transportation documentation
 - Surveillance equipment maintenance
 - Occupational badges
 - Business records
 - Other items as necessary to ensure compliance with laws
- Preparation of a draft report detailing the findings of the inspection and providing recommendations for improvement where needed. If the inspection identifies any violations of law or other non-compliance issues, then HdL will prepare a notice to comply as an included part of the report.
- All travel costs associated with the inspection, assuming a minimum of four inspections per day. If fewer than four inspections are requested, HdL will charge for travel based upon hourly rates.
- All phone, email and other communications involved in preparing for, scheduling and coordinating the inspections and providing the report.

The cost for this service does not include any follow-up re-inspection or review of any supplemental documents provided to address or contest any findings of non-compliance, nor does it include any assistance with the appeal of any enforcement action by the City. Any costs associated with such additional services would be billed at HdL's hourly rate.

Objective 7: Cannabis Revenue Audits

HdL will conduct an annual revenue audit of each cannabis business to verify the accuracy of the revenue reported and remitted to the City during the review period and will recommend a tax assessment should the audit reveal any unreported revenue. As part of the audit process, HdL will conduct a risk-based review of each business using our proprietary Cannabis Analytical Testing System (CATS™). CATS was designed by HdL to address the unique challenges associated with auditing the cannabis industry. CATS allows audit staff to cross-analyze multiple business records to identify reporting variances, discrepancies and outliers to produce the most accurate measure of gross receipts on behalf of the City.

To initiate the process, the City shall provide HdL with a list of all licensed cannabis businesses subject to audit. HdL shall work with the City to determine the appropriate

review period for each business and to develop a schedule for conducting all audits. As the time for each audit approaches, HdL will prepare a notification letter informing the licensee of the impending audit and providing a list of all records and documentation the business is required to provide, including remote access to the business's point-of-sale (POS) system where applicable. HdL recommends that the letter be sent by the City to communicate HdL's authority to conduct the audit and to encourage cooperation by the business.

The full annual audit shall include:

- Review Point-of-Sale (POS) system structure
- Review inventory system (subject to METRC data)
- Analyze and compare POS data with other available data sources, including:
 - City cannabis tax returns
 - State tax returns
 - Federal tax returns
 - METRC sales and inventory data
 - CDTFA data
 - Bank statements
 - ATM or other merchant statements
 - Sales receipts
 - Other financial documents as available
- Identify any variances or over/under reporting
- Calculate any taxes or fees due to the City
- Prepare and issue report

Where cannabis cultivation is taxed on a square-footage basis, the audit shall include one annual site inspection to verify compliance with maximum permitted canopy area. Square footage audits may also consider documented findings from inspections by the City, DCC or other agencies, where available.

A business that holds multiple state cannabis licenses shall be considered a single business for audit purposes, provided that all licenses are held and operated under the same name, ownership, location, and a single tax ID number. Any variation may indicate separate business entities requiring separate audits. Any such determination shall be made on a case-by-case basis in consultation with the City.

HdL will provide a draft audit report to the commercial cannabis business. The business will be given an appropriate opportunity to respond or appeal the report in accordance with the City ordinance. HdL will review any documentation provided by the business to dispute the findings and will adjust the tax/fee assessment as necessary prior to issuing the final report to the City.

The cost for this service assumes a standard 12-month review period. The cost for a longer term shall be increased per each additional 6-month period (2 fiscal quarters). Pricing available upon request. This cost also assumes reasonable cooperation from the licensee. Non-cooperation by the licensee may result in additional charges at HdL's

hourly rate, or in termination of the audit and potential enforcement action by the City. Any such action or additional charges would be determined in consultation with the City.

The cost does not include assistance with administrative appeals or enforcement of audit findings, cannabis tax policy questions or guidance, or other services not directly associated with preparing the revenue audit report. Any costs associated with such additional services would be billed at HdL's hourly rate.

Objective 8: Technical Assistance and Subject Matter Expertise

HdL will provide additional hours of general consulting to be utilized on an as-needed basis at the City's request. Such assistance may include technical assistance, subject matter expertise, education, monitoring of changes to State laws and regulations, participation in conference calls, responding to staff inquiries via phone and email, reviewing staff reports to the City Council, assisting with responses to inquiries from the public, or other issues yet to be determined as requested by the City. All technical assistance shall be mutually agreed upon by both parties prior to performing services.

Objective 9: Quality Assurance Application Reviews

HdL staff will conduct an initial screening of all applications for completeness based upon an objective checklist of required documentation. This initial screening shall allow for some limited discretion in determining whether submitted documents are substantively complete but shall not otherwise consider the quality of the submissions. Applications deemed incomplete will be disqualified and those applicants will not be allowed to submit any supplemental information.

Applications which have been deemed complete will move forward for a full review, including quality assurance scoring. Applicants must provide detailed information on how they plan to meet the required criteria. An applicant's point score shall be based on their demonstrated ability to meet or exceed minimum requirements in each category. Scoring shall be in conformance with the criteria established by the City.

Reviews shall include narrative comments that identify any weaknesses, deficiencies or areas of concern for each application. Reviews shall be adequately detailed to inform the subsequent selection process but shall not contain any recommendations for approval or denial, other than a numerical score.

Proposed actions described in the applications shall be considered binding conditions of any resulting permit. Failure to meet or comply with any such requirements after a permit has been granted may subject the applicant to penalties and/or revocation proceedings.

This objective assumes a non-competitive quality assurance process where applications are reviewed only to ensure that they have adequately addressed all required criteria. This objective is offered here as an optional service. Engagement by HdL in any application reviews would require mutual agreement on the process in advance.

**EXHIBIT B – 3
COST SCHEDULE**

Once under contract, prices shall be honored for the first full year, with successive years subject to an annual increase based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim region.

Scope of Service Objectives	Estimated Cost
Objective 1: Attendance or Presentations at Meetings Includes planning and preparation of a presentation	Hourly Rate
Objective 2: Review Permit Renewal Applications	\$900
Objective 3: Supplemental Background Checks Cost paid directly to HdL by applicant	No Charge to City
Objective 4: Site Plan Evaluations (Optional)	\$1,000 per evaluation
Objective 5: Pre-license Site Visits (Optional)	\$2,500
Objective 6: Regulatory Compliance Inspections	\$2,500
Objective 7: Cannabis Revenue Audits Assuming standard 12-month review period	\$10,000 per audit
Objective 8: Technical Assistance and Subject Matter Expertise	Hourly Rate
Objective 9: Quality Assurance Application Reviews (Optional) Requires mutual agreement on process in advance	\$5,000 per application
Travel (as needed for pre-license site visits and/or meeting attendance)	Hourly Rate*
ESTIMATE OF TOTAL COSTS (assumes 1-year term) Review Permit Renewal Applications (assumes 10) Regulatory Compliance Inspections (assumes 10) Cannabis Revenue Audits (assumes 10) Subject Matter Expertise (assumes 80 hours @ \$300/hr)	\$9,000 \$25,000 \$100,000 \$24,000
TOTAL NOT TO EXCEED	\$158,000
*Or at a flat rate to be negotiated with the City.	

The proposal does not include any additional services that are not specifically enumerated herein. The proposal assumes HdL will not be asked to review any supplemental information provided by applicants, and that HdL will not be a part of any enforcement action, appeal, arbitration, or civil litigation resulting from the findings of an

inspection and/or audit. Any such additional reports, documentation or assistance that may be required would be in addition to the costs shown in the table above and shall be billed at HdL’s hourly rate. This includes assistance with administrative hearings and/or civil litigation involving cannabis applicants or licensees.

Hourly Rates for HdL Staff

The prices in this proposal are calculated based on the hourly rates for HdL staff as shown in the chart below. Any additional services requested by the client that are not specifically described in this proposal would be billed at HdL’s standard hourly rate.

HdL Staff Person	Title	Hourly Rate
Standard Hourly Rate	All Subject Matter Expertise	\$300
Matt Eaton	Director of Cannabis Services	\$300
Mark Lovelace	Senior Policy Advisor	\$300
Elizabeth Eumurian	Audit Manager	\$300
Brad Schneider	Compliance Manager	\$300
Valerie Carter	Audit Supervisor	\$275
Tao Lu	Senior Auditor	\$250
Kristi Lervold	Compliance Administrator	\$235
Michelle Shaw	Compliance Inspector	\$235
Teresa Schneider	Compliance Inspector	\$235
Jennifer Erwin	Auditor	\$235
Dante Chegini	Audit Analyst	\$225
Kevin Nguyen	Audit Analyst	\$225
Michael Cimino	Audit Analyst	\$225
All rates current as of the date of this proposal		

ATTACHMENT 6

Professional Services Agreement No. 2023-065 with Rogers, Anderson, Malody &
Scott, LLP

Project Name: Auditing Services

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF GOLETA
AND
ROGERS, ANDERSON, MALODY & SCOTT, LLP**

This AGREEMENT FOR PROFESSIONAL SERVICES (herein referred to as "AGREEMENT") is made and entered into this 20th day of June, 2023, by and between the **CITY OF GOLETA**, a municipal corporation (herein referred to as "CITY"), and **ROGERS, ANDERSON, MALODY & SCOTT, LLP** (herein referred to as "CONSULTANT").

SECTION A. RECITALS

1. The CITY has a need for professional annual audit services for the City's annual audit; and
2. The CITY does not have the personnel able and/or available to perform the services required under this AGREEMENT, and therefore, the CITY desires to contract for professional services to accomplish this work; and
3. The CITY procured these services in compliance with Goleta Municipal Code Section 3.05.260.
4. The City Council, on this 20th day of June, 2023, approved this AGREEMENT and authorized the City Manager to execute the AGREEMENT.

SECTION B. TERMS

1. RETENTION AS CONSULTANT

CITY hereby retains CONSULTANT, and CONSULTANT hereby accepts such engagement, to perform the services described in Section 2. CONSULTANT warrants it has the qualifications, experience, and facilities to properly and timely perform said services.

2. DESCRIPTION OF SERVICES

The services to be performed by CONSULTANT are as follows:

Professional Auditing Services in conjunction with the audit of the City's financial statements and preparation of an Annual Comprehensive Financial Report (ACFR). Services shall generally include the audit of the City's financial statements for the three

fiscal years beginning with the fiscal year ending June 30, 2023 and related reports, as well as preparation of an Annual Comprehensive Financial Report (ACFR), as more particularly set forth in the Scope of Work, attached as Exhibit "A," and incorporated herein.

CONSULTANT shall deliver to CITY the deliverables defined in Exhibit "A."

3. COMPENSATION AND PAYMENT

(a) **Maximum and Rate.** The total compensation payable to CONSULTANT by CITY for the services under this AGREEMENT **SHALL NOT EXCEED** the sum of \$154,460 (herein "not to exceed amount"), and shall be earned as the work progresses on the following basis:

Service	2022/23	2023/24	2024/25	Total for 3 Years
Fiscal Year Ended	6/30/2023	6/30/2024	6/30/2025	
City Audit and Related Reports	\$34,250	\$34,250	\$35,475	\$103,975
GANN Limit Review Report	\$800	\$800	\$825	\$2,425
Single Audit and Related Reports, if necessary *	\$5,000	\$5,000	\$5,150	\$15,150
Annual Street Report	\$2,400	\$2,400	\$2,475	\$7,275
City State & Successor Agency Controllers Report	\$4,500	\$4,500	\$4,635	\$13,635
Subtotal	\$46,950	\$46,950	\$48,560	\$142,460
*Single Audit Additional Major Program (if necessary)	\$4,000	\$4,000	\$4,000	\$12,000
Total for Fiscal Year (not-to-exceed)	\$50,950	\$50,950	\$52,560	\$154,460

At the rates and with reimbursement to CONSULTANT for those expenses set forth in CONSULTANT's Schedule of Fees marked Exhibit "B," attached and incorporated herein. The rates and expenses set forth in that exhibit shall be binding upon CONSULTANT until June 30, 2026, after which any change in said rates and expenses must be approved in writing by CITY's Project Manager as described in Section 5 (CITY is to be given 60 days notice of any rate increase request), provided the not to exceed amount is the total compensation due CONSULTANT for all work described under this AGREEMENT.

(b) Payment. CONSULTANT shall provide CITY with written verification of the actual compensation earned, which written verification shall be in a form satisfactory to CITY's Project Manager, as described in Section 5. Invoices shall be made no more frequently than on a monthly basis, and describe the work performed (including a list of hours worked by personnel classification). All payments shall be made within 30 days after CITY's approval of the invoice.

4. EXTRA SERVICES

CITY shall pay CONSULTANT for those CITY authorized extra services, not reasonably included within the services described in Section 2, as mutually agreed to writing in advance of the incurrence of extra services by CONSULTANT. Unless CITY and CONSULTANT have agreed in writing before the performance of extra services, no liability and no right to claim compensation for such extra services or expenses shall exist. The applicable hourly rates for extra services shall be at the hourly rates set forth in Exhibit B, if one is included as part of this agreement. Any compensation for extra services shall be part of the total compensation and shall not increase the not to exceed amount identified in Section 3.

5. CITY PROJECT MANAGER AND SERVICES BY CITY

The services to be performed by CONSULTANT shall be accomplished under the general direction of, and coordinate with, CITY's "Project Manager", as that staff person is designated by CITY from time to time, and who presently is Luke Rioux. Project Manager shall have the authority to act on behalf of the CITY in administering this AGREEMENT but shall not be authorized to extend the term of the AGREEMENT or increase the not to exceed amount.

6. TERM, PROGRESS AND COMPLETION

The term of this AGREEMENT is from the date first written above to June 30, 2026, unless term of this AGREEMENT is extended, or the AGREEMENT is terminated as provided for herein.

CONSULTANT shall not commence work on the services to be performed until (i) CONSULTANT furnishes proof of insurance as required by Section 10 below, and (ii) CITY gives written authorization to proceed with the work provided by CITY's Project Manager.

7. OWNERSHIP OF DOCUMENTS

All drawings, designs, data, photographs, reports and other documentation (other than CONSULTANT's drafts, notes and internal memorandum), including duplication of same prepared by CONSULTANT in the performance of these services, are the property of CITY. CITY shall be entitled to immediate possession of the same upon completion of the work under this

AGREEMENT, or at any earlier or later time when requested by CITY. CITY agrees to hold CONSULTANT harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this AGREEMENT, unless written authorization of CONSULTANT is first obtained.

8. PERSONAL SERVICES/NO ASSIGNMENT/SUBCONTRACTOR

This AGREEMENT is for professional services which are personal to CITY. Terry Shea is deemed to be specially experienced and is a key member of CONSULTANT's firm, and shall be directly involved in the performance of this work. This key person shall communicate with, and periodically report to, CITY on the progress of the work. Should any such individual be removed from assisting in this contracted work for any reason, CITY may terminate this AGREEMENT. This AGREEMENT may not be assigned or subcontracted without the City Manager's prior written consent.

9. HOLD HARMLESS AND INDEMNITY

(a) Hold Harmless for CONSULTANT's Damages. CONSULTANT holds CITY, its elected officials, officers, agents, and employees, harmless from all of CONSULTANT's claims, demands, lawsuits, judgments, damages, losses, injuries or liability to CONSULTANT, to CONSULTANT's employees, to CONSULTANT's contractors or subcontractors, or to the owners of CONSULTANT's firm, which damages, losses, injuries or liability occur during the work required under this AGREEMENT, or occur while CONSULTANT is on CITY property, or which are connected, directly or indirectly, with CONSULTANT's performance of any activity or work required under this AGREEMENT.

(b) Defense and Indemnity of Third Party Claims/Liability. CONSULTANT shall investigate, defend, and indemnify CITY, its elected officials, officers, agents, and employees, from any claims, lawsuits, demands, judgments, and all liability including, but not limited to, monetary or property damage, lost profit, personal injury, wrongful death, general liability, automobile, infringement of copyright/patent/trademark, or professional errors and omissions arising out of, directly or indirectly, an error, negligence, or omission of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, or the willful misconduct of CONSULTANT or any of CONSULTANT's officers, agents, employees, representatives, subconsultants, or subcontractors, in performing the services described in, or normally associated with, this type of contracted work. The duty to defend shall include any suits or actions concerning any activity, product or work required under this AGREEMENT, and also include the payment of all court costs, attorney fees, expert witness costs, investigation costs, claims adjusting costs and any other costs required for and related thereto.

(c) **No Waiver.** CITY does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by CITY, or the deposit with CITY, of any insurance certificates or policies described in Section 10.

10. INSURANCE

CONSULTANT shall, at CONSULTANT's sole cost and expense, provide insurance as described herein. All insurance is to be placed with insurers authorized to do business in the State of California with an A.M. Best and Company rating of A- or better, Class VII or better, or as otherwise approved by CITY.

Insurance shall include the following (or broader) coverage:

- a) Insurance Services Office Commercial Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to 2004 and with minimum limits of \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- b) Insurance Services Office form number CA 00 01 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of \$1,000,000 per accident. If the Service Provider owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Service Provider's commercial general liability policy.
- c) Workers' Compensation insurance complying with California worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit of \$1,000,000 per accident or disease.
- d) Professional liability insurance that covers the services to be performed in connection with this agreement, in the minimum amount of \$1,000,000 per claim.

Liability insurance policies required to be provided by CONSULTANT hereunder shall contain or be endorsed to contain the following provisions:

- a) Except for professional liability insurance, CITY, its employees, officials, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work performed or related to the contract. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10, with an edition date prior

to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37, or its equivalent.

- b) General and automobile liability insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage will not be limited to CITY's vicarious liability.
- c) Professional liability insurance policies inception date, continuity date, or retroactive date must be before the effective date of this agreement. CONSULTANT agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.
- d) Except for professional liability insurance, liability coverage shall be primary and non-contributing with any insurance maintained by CITY.
- e) Evidence of coverage (including the workers' compensation and employer's liability policies) shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after 30 days' prior written notice has been given to CITY. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.
- f) No liability insurance coverage provided to comply with this AGREEMENT shall prohibit CONSULTANT, or CONSULTANT's employees, or agents, from waiving the right of recovery prior to a loss. CONSULTANT waives its right of recovery against CITY.
- g) CONSULTANT agrees to deposit with CITY within fifteen days of Notice to Proceed of the Contract certificates of insurance and required endorsements.
- h) There shall be no recourse against CITY for payment of premiums or other amounts with respect to the insurance required to be provided by CONSULTANT hereunder. Any failure, actual or alleged, on the part of CITY to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of CITY. CITY has no additional obligations by virtue of requiring the insurance set forth herein. In the event any policy of insurance required under this AGREEMENT does not comply with these requirements or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by CONSULTANT or CITY will

withhold amounts sufficient to pay premium from CONSULTANT payments.

- i) CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against CONSULTANT arising out of the work performed under this AGREEMENT. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

11. RELATIONSHIP OF CONSULTANT TO CITY

The relationship of the CONSULTANT to CITY shall be that of an independent contractor and that in no event shall CONSULTANT be considered an officer, agent, servant or employee of CITY. CONSULTANT shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the described work.

12. CORRECTIONS

In addition to the above indemnification obligations, CONSULTANT shall correct, at its expense, all errors in the work that may be disclosed during CITY's review of CONSULTANT's report or plans. Should CONSULTANT fail to make such correction in a reasonably timely manner, such correction shall be made by CITY, and the cost thereof shall be charged to CONSULTANT or withheld from any funds due to CONSULTANT hereunder.

13. TERMINATION BY CITY

CITY, by notifying CONSULTANT in writing, may upon 10 calendar days notice, terminate without cause any portion or all of the services agreed to be performed under this AGREEMENT. If termination is for cause, no notice period need be given. In the event of termination, CONSULTANT shall have the right and obligation to immediately assemble work in progress for the purpose of closing out the job. All compensation for actual work performed and charges outstanding at the time of termination shall be payable by CITY to CONSULTANT within 30 days following submission of a final statement by CONSULTANT unless termination is for cause. In such event, CONSULTANT shall be compensated only to the extent required by law.

14. ACCEPTANCE OF FINAL PAYMENT CONSTITUTES RELEASE

The acceptance by CONSULTANT of the final payment made under this AGREEMENT shall operate as and be a release of CITY from all claims and liabilities for compensation to CONSULTANT for anything done, furnished, or relating to CONSULTANT'S work or services. Acceptance of payment shall be

any negotiation of CITY's check or the failure to make a written extra compensation claim within 10 calendar days of the receipt of that check. However, approval or payment by CITY shall not constitute, nor be deemed, a release of the responsibility and liability of CONSULTANT, its employees, subcontractors, agents and CONSULTANTS for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by CITY for any defect or error in the work prepared by CONSULTANT, its employees, subcontractors, agents and consultants.

15. AUDIT OF RECORDS

At any time during normal business hours and as often as it may deem necessary, CONSULTANT shall make available to a representative of CITY for examination of all its records with respect to all matters covered by this AGREEMENT and will permit CITY to audit, examine and/or reproduce such records. CONSULTANT will retain such financial records, time sheets, work progress reports, invoices, bills and project records for at least two years after termination or final payment under this AGREEMENT.

All work papers and reports will be retained, at the CONSULTANT'S expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of Goleta of the need to extend the retention period. The auditor will be required to make working papers available to the City of Goleta or any government agencies included in the audit of federal grants. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

16. WAIVER; REMEDIES CUMULATIVE

Failure by a party to insist upon the strict performance of any of the provisions of this AGREEMENT by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand strict compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this AGREEMENT, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

17. CONFLICT OF INTEREST

CONSULTANT is unaware of any CITY employee or official that has a financial interest in CONSULTANT'S business. During the term of this AGREEMENT and/or as a result of being awarded this AGREEMENT, CONSULTANT shall not offer, encourage or accept any financial interest in CONSULTANT'S business by any CITY employee or official.

18. CONSTRUCTION OF LANGUAGE OF AGREEMENT

The provisions of this AGREEMENT shall be construed as a whole according to its common meaning of purpose of providing a public benefit and not strictly for or against any party. It shall be construed consistent with the provisions hereof, in order to achieve the objectives and purposes of the parties. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neutral genders or vice versa.

19. MITIGATION OF DAMAGES

In all situations arising out of this AGREEMENT, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

20. GOVERNING LAW

This AGREEMENT, and the rights and obligations of the parties, shall be governed and interpreted in accordance with the laws of the State of California. Should litigation occur, venue shall be in Superior Court of Santa Barbara County.

21. NONDISCRIMINATION

CONSULTANT shall not discriminate on the basis of race, color, gender, gender identity/expression, pregnancy, sexual orientation, disability, marital status, or any other characteristic protected under applicable federal or state law.

22. TAXPAYER IDENTIFICATION NUMBER

CONSULTANT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. October 2018), as issued by the Internal Revenue Service.

23. NON-APPROPRIATION OF FUNDS

Payments due and payable to CONSULTANT for current services are within the current budget and within an available, unexhausted and unencumbered appropriation of CITY funds. In the event CITY has not appropriated sufficient funds for payment of CONSULTANT services beyond the

City of Goleta

Finance Department and Rogers, Anderson, Malody & Scott LLP

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current fiscal year, this AGREEMENT shall cover only those costs incurred up to the conclusion of the current fiscal year.

24. MODIFICATION OF AGREEMENT

The tasks described in this AGREEMENT and all other terms of this AGREEMENT may be modified only upon mutual written consent of CITY and CONSULTANT.

25. USE OF THE TERM "CITY"

Reference to "CITY" in this AGREEMENT includes City Manager or any authorized representative acting on behalf of CITY.

26. PERMITS AND LICENSES

CONSULTANT, at its sole expense, shall obtain and maintain during the term of this AGREEMENT, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this AGREEMENT.

27. CAPTIONS

The captions or headings in this AGREEMENT are for convenience only and in no other way define, limit or describe the scope or intent of any provision or section of the AGREEMENT.

28. AUTHORIZATION

Each party has expressly authorized the execution of this AGREEMENT on its behalf and bind said party and its respective administrators, officers, directors, shareholders, divisions, subsidiaries, agents, employees, successors, assigns, principals, partners, joint venturers, insurance carriers and any others who may claim through it to this AGREEMENT.

29. ENTIRE AGREEMENT BETWEEN PARTIES

Except for CONSULTANT'S proposals and submitted representations for obtaining this AGREEMENT, this AGREEMENT supersedes any other agreements, either oral or in writing, between the parties hereto with respect to the rendering of services, and contains all of the covenants and agreements between the parties with respect to said services.

30. PARTIAL INVALIDITY

If any provision in this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will

In concurrence and witness whereof, this AGREEMENT has been executed by the parties effective on the date and year first above written.

CITY OF GOLETA

DocuSigned by:
Robert Nisbet
1AEBCAD159E4D7...

Robert Nisbet, City Manager

ROGERS, ANDERSON, MALODY & SCOTT, LLP

DocuSigned by:
Terry Shea
5C7E4583378B4B2...

By: Terry Shea, CPA., Title: Partner

ATTEST

DocuSigned by:
Deborah Lopez
A3E00F3472CA47E...

Deborah Lopez, City Clerk

DocuSigned by:
Terry Shea
5C7E4583378B4B2...

By: Terry Shea, CPA., Title: Partner

**APPROVED AS TO FORM:
MEGAN GARIBALDI, CITY ATTORNEY**

DocuSigned by:
Scott Shapses
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Scott Shapses, Deputy City Attorney

Exhibit A - Scope of Work**CITY OF GOLETA****PROPOSAL FOR PROFESSIONAL AUDITING SERVICES****Specific audit approach***Services to be provided*

The City desires an Annual Comprehensive Financial Report (ACFR) to be prepared and audited by the independent auditor for the fiscal year ended June 30, 2023, and each of the subsequent years included in the audit firm's contract with the City. The City will submit the ACFR to the Government Finance Officers' Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting Program.

In addition, we shall:

- Prepare the ACFR.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules, if applicable.
- Provide opinions as to the compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). RAMS is to provide an "in-relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements.
- Test compliance with Article XIII B pertaining to the City's appropriation limit and prepare an Agreed-Upon Procedures report to the City Council regarding compliance.
- Prepare the Annual Financial Transaction Report City and Special District (currently we utilize a sub-contractor for this) if requested.
- Prepare the Annual Street Report if requested.
- We will provide the Pension & OPEB journal entries and footnote disclosures each year if needed.
- We will keep City staff informed of new guidance and developments that may affect municipal accounting and finance.
- We will hold meetings prior to the commencement of fieldwork at the beginning of the audit and after the first draft of financial statements has been prepared. The engagement partner will attend the meetings.
- We will be available to the City Council or management to answer questions related to the audit.
- If an extended scope is determined, we shall provide the City with all ascertainable facts with an estimate of additional services required and the proposed price.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). (Single Audit)
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- A report on the fair presentation of the financial statements in conformity with GAAP.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- A report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: City Manager, Finance Director and City Attorney.
- Retain all working papers (at our expense) for a minimum of seven (7) years, unless we are notified by the City of the need to extend that period. In addition, we will make working papers available to the City and/or any government agency as appropriate, in addition to successor auditors.

Engagement approach

Our engagement approach for your audit will be developed, in part, by using established goals which will enable measurement of the audits progress by the engagement partner and lead auditor. This involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with our goals and that any issues which may arise are communicated and dealt with on a timely basis. In addition, our in-depth knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the control environment in each year's audit and thus enables us to respond to any needed risk assessment changes.

Our engagement approach has been developed and refined over many years. The foundation of our approach revolves around the following:

- **Knowledge and experience.** We have been auditing governmental entities like the City, both large and small, for over 74 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit. It also enables us to perform detailed risk assessment procedures allowing us to identify significant audit risk areas within the City and its control environment.
- **Intelligent design.** As discussed later in our proposal, all our audits are designed to be intelligent using our powerful audit software/data analytic tools (Engagement and *Teammate Analytics*). This allows us to analyze large amounts of data in seconds increasing both the efficiency and, more importantly, the effectiveness of all our audit engagements.
- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we can design audit strategies that result in effective and efficient audits.
- **Timeliness.** Deadlines are not just "dates" to us, they are professional commitments. All required deadlines will be met.
- **Open communication.** Open lines of communication with all parties (the engagement team members and City Management and staff) throughout the audit process helps to eliminate "surprises." Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.
- **Availability.** All engagement team members are available throughout the year for any questions or additional consultation. City staff will have direct access to the partner, manager, and other supervisory staff at all times during the engagement, as well as after.
- **Cost effectiveness.** Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs while still providing an effective audit and high-quality reports.

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

- **Risk based approach.** Our detailed risk assessment procedures will consist of activities performed to obtain an understanding of the City and its environment, including its internal control. Evidence from these activities will provide the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. While performing our risk assessment procedures and we may choose to perform further audit procedures concurrently with risk assessment procedures as deemed necessary. In addition, risk assessment procedures will provide some of the necessary evidence about the relevant assertions related to classes of transactions, account balances, or disclosures and about the operating effectiveness of controls.

As indicated in the previous section of the proposal, the overall objective of the engagement with the City is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion(s) on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value-added characteristics, at no additional cost, that will benefit the City over the long-term:

- All our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of the City.

Audit approach and proposed audit segmentation

The following is a summary of the audit team's audit approach for the engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration, and internal control testing

During this phase of the audit, our principal objectives will be to gather information about the City and its environment, including its internal control over financial reporting.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the City's staff in order to determine convenient dates in which we can begin our audit and to discuss the assistance to be provided by the City's staff.
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.
- Review and evaluate the City's accounting and reporting processes by reviewing the prior year's audit workpapers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of governance meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the City.

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation to determine whether the relevant controls are in place and functioning properly.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of the City's operations.
- Utilize our powerful audit data analytic software allowing us to analyze large amounts of data in seconds and focusing on areas/transactions that are red flagged.

In addition, we will perform the following procedures related to IT General Controls that "touch" financial data:

- *Security access (including physical) controls:* Evaluate the general system security settings and password parameters; evaluate the process for adding, deleting, and changing security access; evaluate the access capabilities of various types of users; evaluate access controls to networks and financial applications; evaluate access controls related to data files; and evaluate physical access to networks, servers, etc.
- *Computer operations:* Evaluate backup and recovery processes and review processes of identifying and handling operational problems.
- *System development and system changes:* Evaluate processes related to system development and system changes (if applicable).
- *Application testing:* We will determine if the testing of application controls is deemed necessary based on our professional judgment in the planning stages of the engagement.

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

Segment 2 - Year-end testing - substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit and evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Identify significant risks and develop a detailed audit plan using the results in Segment 1.
- Design substantive tests of account balances designed and modified specifically for the City's operations and assessed level of risk. Substantive procedures will consist of testing material balance sheet accounts, material revenue and expenditure/expense accounts along with various analytical procedures as deemed necessary. In addition, various accounts may be confirmed with outside parties (cash, investments, etc.).

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

If any proposed audit adjustments are noted during this phase, we will discuss and explain them, in detail, with the appropriate level of management prior to posting.

Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit manager and one staff accountant with direct supervision by the audit partner. In addition, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of the City and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the City and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit. The foundation of the above approach is based on open communication coupled with a strong knowledge of the City's operations and detailed planning at the initial stages of the audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff and decide on adequate timeframes, agreed upon by both the City and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agreed upon time frames.*

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Senior	Staff	Total
Segment 1	6	10	33	50	99
Segment 2	12	16	53	66	147
Segment 3	14	14	46	16	90
Totals*	32	40	132	132	336

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

Intelligent audit technology

Our audits are designed to be intelligent using our powerful audit software tools (Engagement and Teammate Analytics). In addition, all audit team members are linked to each other using wireless connections which enables them to share information at an almost real-time speed. Below are some of the benefits of our audit technologies:

- ***We utilize Teammate Analytics, a suite of more than 200 dynamic Computer Aided Audit Tools (CAATs). This allows us to analyze large amounts of data in seconds. Using data received directly from the City, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford's Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value-added services.***
- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant City staff time.
- Once your trial balances and financial statements are entered into our software, we can observe your financial statements in the field allowing us to notice any variances and address them immediately.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide the City with fund financial statements almost immediately after importing the trial balances.
- We can provide the City with our audited trial balances which show the coding of the financial statement schedules for ease of review for City staff. These reports show each account coded to a specific financial statement line item/function as well as journal entries posted during the audit.
- We have the capability to perform effective and efficient audits remotely as well.

Analytical procedures

In order to properly utilize analytical procedures, industry background and knowledge are needed. With our firm's long history and qualified staff, we believe we have the necessary knowledge and experience to effectively apply analytical procedures. We will utilize analytical review procedures throughout our audit of the City.

- During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine which areas may need additional analysis; we will also compare current year actual amounts to the City's annual budget (both original and adopted).

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

- During the *final* phase of our audit, we will perform procedures like those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain “reasonableness” tests. Any significant variances are investigated further through inquiry and other substantive testing as deemed necessary until resolved to our satisfaction.
- Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the City, similar entities and the general economic environment. In addition, we may choose to use various other analytical techniques such as trend analysis, etc.

Unlike other audit firms, we use analytical procedures to supplement our substantive testing, not supplant them.

Understanding of internal control over financial reporting

Our approach to obtaining an understanding of the City’s internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring*. We will use customized procedures which we have developed internally to evaluate your internal control systems. By combining our customized procedures and our detailed knowledge of the City and its environment, we will be able to provide constructive feedback in areas we feel need improvement. In addition to our customized procedures, we will also perform the following:

Control Environment. Through inquiry of the City’s personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the governing body meetings, we will obtain an understanding of management’s and the governing body’s attitudes, awareness, and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of the City’s personnel and the use of questionnaires, we will obtain sufficient knowledge of the City’s risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the City’s major transaction cycles. As mentioned above, we will test the City’s control procedures on which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

Information and Communication. Through inquiry of the City’s personnel, we will identify the major types of transactions engaged in by the City. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the City’s financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through inquiry of the City’s personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the City uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local governmental entity and design all our audits to ensure we test transactions for compliance. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the City's financial statements. In determining which laws and regulations are applicable to the City's financial statement audit, we will consult the following sources:

- AICPA Audit and Accounting Guide, *Audits of State and Local Governments*
- California Government Code (investments, GANN limit requirements, etc.)
- Applicable State of California laws
- U.S. Government Accountability Office's *Government Auditing Standards* (The Yellow Book), latest revision
- Applicable contracts/grants of the City
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance)

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance while continuing to refer to the applicable compliance guideline to ensure changes in compliance are not missed.

Effect of COVID-19 on our audits

The COVID-19 pandemic led to most of our audits being performed remotely in 2022. We were highly flexible with our clients and were able to perform almost all our audits remotely unless the clients requested a limited staff presence on-site. No matter how the pandemic continues to develop in California, we are prepared and able to continue serving our clients remotely, and even on-site with the appropriate precautions.

Auditing in a remote environment

The availability and use of technology has had a significant impact on the accounting and auditing profession, allowing us to provide professional services across longer distances and more timely than ever before. We have continued to evolve our ability to serve our clients remotely throughout the COVID-19 pandemic and have experienced new efficiencies for both auditor and auditee. We anticipate continuing to perform substantially all our audit work remotely and will work with the City to maximize the remote efficiencies using technology. If the City would like members of the audit team on-site, we will work with City management on determining an acceptable staffing level.

We maintain regular and routine contact with our clients throughout the audit planning, fieldwork, and conclusion phases of the audit with the use of email, phone calls, secure portals, video conferencing, project tracking schedules, and any other means necessary to ensure the timely completion of the audit by any agreed-upon deadlines. Our audit team is very responsive to our clients and we encourage our clients to connect with us throughout the year for any matters that may affect the audit or of a general accounting nature. We have found this to be mutually beneficial for both our clients and the annual audit work.

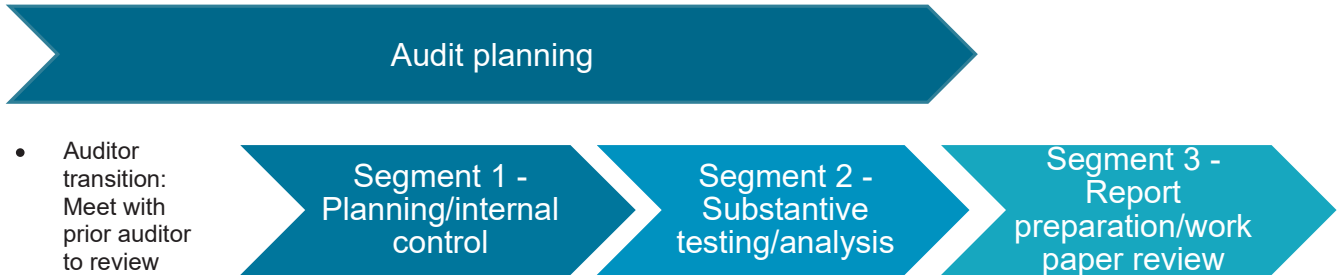
Remote auditing has many benefits some tangible, as listed above, others intangible. In performing remote audits, we are bettering our employee's quality of life by reducing unnecessary travel time, reducing traffic congestion on our local freeways while also helping to improve Southern California's air quality.

CITY OF GOLETA

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit approach (continued)

Proposed audit timing



- Auditor transition: Meet with prior auditor to review workpapers.
- Entrance conference to meet with management for pre-audit planning.
- Preliminary risk assessment procedures.

Anticipated timing of each segment		
July/August	December/January	January/February
<ul style="list-style-type: none"> • Obtain an understanding of systems, internal controls, and current-year issues. • Assess and evaluate design and implementation of key internal controls (including IT related). • Perform tests of internal controls as needed. • Identify control deficiencies • Perform detailed risk assessment procedures. • Draft internal control comment letter. • Develop detailed audit plan - provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed. 	<ul style="list-style-type: none"> • Perform substantive audit fieldwork, including substantive analytical procedures. • Consider whether audit evidence is sufficient to form an opinion. • Conduct exit conference with management to discuss proposed entries, internal control issues, etc. 	<ul style="list-style-type: none"> • Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. • Review all workpapers. • Evaluate financial statements and note disclosures. • Perform final analytical procedures. • Draft required reports. • Issue final required reports by or before agreed upon date. • Present to governing body as needed.

CITY OF GOLETA
AUDIT WORK COST PROPOSAL
For the years ended June 30, 2023, 2024 and 2025

Service	2022/23	2023/24	2024/25	Total for 3 Years
Fiscal Year Ended	6/30/2023	6/30/2024	6/30/2025	
City Audit and Related Reports	\$34,250	\$34,250	\$35,475	\$103,975
GANN Limit Review Report	\$800	\$800	\$825	\$2,425
Single Audit and Related Reports, if necessary *	\$5,000	\$5,000	\$5,150	\$15,150
Annual Street Report	\$2,400	\$2,400	\$2,475	\$7,275
City State & Successor Agency Controllers Report	\$4,500	\$4,500	\$4,635	\$13,635
Subtotal	\$46,950	\$46,950	\$48,560	\$142,460
*Single Audit Additional Major Program (if necessary)	\$4,000	\$4,000	\$4,000	\$12,000
Total for Fiscal Year (not-to-exceed)	\$50,950	\$50,950	\$52,560	\$154,460

*= For one major program, each additional major program is \$4,000.

CITY OF GOLETA
COST PROPOSAL AND FEES

Name of Firm: Rogers, Anderson, Malody and Scott, LLP

Address: 735 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

Contact Name: Terry Shea/Gardenya Duran

Contact Phone # 909-889-0871 **Fax #:** 909-889-5361

Contact Email: terry@ramscpa.net or gduran@ramscpa.net

1. Auditor's Standard Billing Rates

Auditors Standard Hourly Billing Rates				
POSITION	2022/23	2023/24	2024/25	
Partner	\$ 290	\$ 290	\$	295
Manager	\$ 180	\$ 180	\$	185
Senior Accountant	\$ 140	\$ 140	\$	145
Staff Accountant	\$ 110	\$ 110	\$	115
Clerical	\$ 55	\$ 55	\$	55

Certification:

The person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.



Terry Shea, CPA
Partner